

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO
TESTIMONY OF WITNESS KASHANI (USPS-T-14) – ERRATA
(February 18, 2000)

The United States Postal Service hereby provides notice that it is today filing errata to the testimony of witness Kashani (USPS-T-14). The changes are listed on the attached summary sheet. They consist of titles changes, source citation changes, expansion of non-volume workload factors to more decimal places, correction of cost level factors to reflect what actually was used in the rollforward, and exhibit modifications to (1) reflect the transfer of Special Delivery Messengers from Cost Segment 9 to Cost Segment 3, (2) provide further explanation concerning ancillary services in footnotes, and (3) revise revenues to be consistent with those presented by witness Mayes (USPS-T-32). None of these errata change the costs presented by witness Kashani. Copies of the revised pages are attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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February 18, 2000

Errata – Kashani (USPS-T-14)

List of Workpapers

All changes in the following revised pages are noted in bold.

Page v Substitute revised page v for original page v

Page vi Substitute revised page vi for original page vi

Exhibit 14A

Cover Page: Replace line “pages 7-9: Tolley USPS—T-6” with “Mail Volume: Tolley USPS-T-6, Preliminary RPW Report” and line “USPS-LR-I-T-28, Table 8” with “USPS-T-28, Table 8”

All changes in the following revised pages are noted in bold.

Page 1 of 10 Substitute revised page 1 for original page 1

Page 2 of 10 Substitute revised page 2 for original page 2

Page 3 of 10 Substitute revised page 3 for original page 3

Page 4 of 10 Substitute revised page 4 for original page 4

Page 5 of 10 Substitute revised page 5 for original page 5

Page 6 of 10 Substitute revised page 6 for original page 6

Page 7 of 10 Substitute revised page 7 for original page 7

1 Page 8 of 10 Substitute revised page 8 for original page 8

2

3 Workpaper C, Volume 1 of 2

4

5 Cover Page : Revised title for TABLE 8.

6

7 Workpaper C, Volume 2 of 2

8

9 Cover Page: Revised title for TABLE 8.

10

11 Direct Testimony

12

13 On Page 9, line 18, replace the phrase "appear in the testimony of witness
14 Tolley, USPS-T-6, Attachment A" with "are from the preliminary FY 1999 RPW
15 report"

16

17 Appendix A

18

19 On page 1, line 13, the phrase "Columns (1) and (4)-(6)" should be changed to
20 "Columns (1) and (3) – (8)"

21

22 On page 1, line 19 insert the word "keys" after "distribution"

23

Errata - Kashani (USPS-T-14) Continued

1 The savings on page 16, column 12, line labeled "Total Operational Programs"
2 should be changed from (407,770) to (441,793)

3

4 The savings on page 17, column 12, line labeled "Total" should be changed from
5 (407,770) to (441,793)

6

7 The savings displayed on column 12 of page 24, line 34, and page 25, line 64,
8 should be changed from (407,770) to (475,373)

9

10 Exhibit 14D

11

12 Page 9 of 25 Inserted 4 rows; Special Delivery Mess, In-Office,
13 Street, Maintenance & Fees

14

15 On Page 10 of 25 Deleted 9 rows; Special Delivery Messengers In-
16 Office, Street, Equipment Maintenance & Fees, and
17 Total Special Delivery Messengers

18

19 Page 12 of 25 Recalculated lines for Total Accrued Cost and
20 Adjusted Grand Total

21

22 Page 13 of 25 Inserted Special Handling Fees into footnote 3

23

Errata - Kashani (USPS-T-14) Continued

1	Page 25 of 25	Inserted Special Handling Fees into footnote 1
2		
3	<u>Exhibit 14G</u>	
4		
5	Page 9 of 25	Inserted 4 rows; Special Delivery Mess, In-Office,
6		Street, Maintenance & Fees
7		
8	On Page 10 of 25	Deleted 9 rows; Special Delivery Messengers, In-
9		Office, Street, Equipment Maintenance & Fees, and
10		Total Special Delivery Messengers
11		
12	Page 12 of 25	Recalculated lines for Total Accrued Cost and
13		Adjusted Grand Total
14		
15	Page 13 of 25	Inserted Special Handling Fees into footnote 3
16		
17	Page 25 of 25	Inserted Special Handling Fees into footnote 1
18		
19	<u>Exhibit 14J</u>	
20		
21	Page 2 of 25	Lines for Special Services, Miscellaneous Items, and
22		Total Mail and Svcs are revised to be consistent with
23		witness Mayes, USPS-T-32

Errata - Kashani (USPS-T-14) Continued

1	Page 3 of 25	Lines for Total Operating Income, Investment Income,
2		and the grand Total are revised to be consistent with
3		witness Mayes, USPS-T-32
4		
5	Page 9 of 25	Inserted 4 rows; Special Delivery Mess, In-Office,
6		Street, Maintenance & Fees
7		
8	On Page 10 of 25	Deleted 9 rows; Special Delivery Messengers, In-
9		Office, Street, Equipment Maintenance & Fees, and
10		Total Special Delivery Messengers
11		
12	Page 12 of 25	Recalculated lines for Total Accrued Cost and
13		Adjusted Grand Total
14		
15	Page 13 of 25	Inserted Special Handling Fees into footnote 3
16		
17	Page 24 of 25	The following lines under Money Order column are
18		revised to be consistent with Witness Mayes, USPS-
19		T-32: Revenue (Excluding Additional Services),
20		Revenue Less Volume Variable Cost, Revenue
21		Excluding Add'l Services (Millions), Revenue Less
22		Volume Variable Costs, and Revenue from Additional
23		SVCS only

Errata - Kashani (USPS-T-14) Continued

1	Page 25 of 25	Inserted Special Handling Fees into footnote 1
2		
3	<u>Exhibit 14M</u>	
4		
5	Page 2 of 25	Lines for Special Services and Total Mail and Svcs
6		are revised to be consistent with witness Mayes,
7		USPS-T-32
8		
9	Page 3 of 25	Lines for Total Operating Income, Investment Income,
10		and the grand Total are revised to be consistent with
11		witness Mayes, USPS-T-32
12		
13	Page 9 of 25	Inserted 4 rows; Special Delivery Mess, In-Office,
14		Street, Maintenance & Fees
15		
16	Page 10 of 25	Deleted 9 rows; Special Delivery Messengers, In-
17		Office, Street, Equipment Maintenance & Fees, and
18		Total Special Delivery Messengers
19		
20	Page 12 of 25	Recalculated lines for Total Accrued Cost and
21		Adjusted Grand Total
22		
23	Page 13 of 25	Inserted Special Handling Fees into footnote 3

Errata - Kashani (USPS-T-14) Continued

- | | | |
|----|---------------|--|
| 1 | Page 23 of 25 | Line Revenue from Additional Svcs Only (Millions) is |
| 2 | | updated to be consistent with witness Mayes, USPS- |
| 3 | | T-32 |
| 4 | | |
| 5 | Page 24 of 25 | Under Post Office Box column, the figure from line |
| 6 | | labeled Revenue Excluding Add'l Services (Millions) |
| 7 | | is revised to be consistent with Witness Mayes, |
| 8 | | USPS-T-32 |
| 9 | | |
| 10 | Page 25 of 25 | Inserted Special Handling Fees into footnote 1 |
| 11 | | |

LIST OF WORKPAPERS

**WP-A. BASE YEAR 1998 WITHOUT SPECIAL DELIVERY
MESSENGERS**

TABLE A-1	MANUAL INPUT REQUIREMENT
TABLE A-2	"A" REPORT (WITHOUT PESSA COST)
TABLE A-3	FACTOR REPORT
TABLE A-4	"B" REPORT (PESSA DETAIL)
TABLE A-5	"C" REPORT (INCLUDING PESSA)
TABLE A-6	"D" REPORT (FINAL ADJUSTMENTS)

WP-B. FISCAL YEAR 1999 BEFORE WORKYEAR MIX ADJUSTMENT

TABLE A.	SUMMARY OF TABLES 1-8
TABLE 1.	BASE YEAR 1998 COSTS WITHOUT SPECIAL DELIVERY MESSENGERS
TABLE 2.	COST LEVEL CHANGES
TABLE 3.	MAIL VOLUME CHANGES
TABLE 4.	NONVOLUME WORKLOAD CHANGES
TABLE 5.	ADDITIONAL WORKDAY CHANGES
TABLE 6.	COST REDUCTION PROGRAM CHANGES
TABLE 7.	OTHER PROGRAMS CHANGES
TABLE 8.	FISCAL YEAR 1999 PREMIX ADJUSTMENTS
TABLE B.	FACTOR REPORT
TABLE C.	"B" REPORT (PESSA DETAIL)
TABLE D.	"C" REPORT (INCLUDING PESSA)
TABLE E.	"D" REPORT (WITHOUT FINAL ADJUSTMENTS)

**WP-C. ADJUSTED FISCAL YEAR 1999 BEFORE WORKYEAR MIX
ADJUSTMENT**

TABLE A.	SUMMARY OF TABLES 1-8
TABLE 1.	FISCAL YEAR 1999 PREMIX ADJUSTMENT
TABLE 2.	COST LEVEL CHANGES
TABLE 3.	MAIL VOLUME CHANGES
TABLE 8.	FISCAL YEAR 1999 PREMIX WITH STANDARD (A) SINGLE PIECE ADJUSTMENT AND INTERNATIONAL VOLUME REPORTING CHANGE
TABLE B.	FACTOR REPORT
TABLE C.	"B" REPORT (PESSA DETAIL)
TABLE D.	"C" REPORT (INCLUDING PESSA)
TABLE E.	"D" REPORT (FINAL ADJUSTMENTS)

LIST OF WORKPAPERS
(continued)

WP-D. FISCAL YEAR 1999 WORKYEAR MIX ADJUSTED

TABLE A. SUMMARY OF TABLES 1-8

**TABLE 1. FISCAL YEAR 1999 PREMIX WITH STANTARD
(A) SINGLE PIECE ADJUSTMENT AND
INTERNATIONAL VOLUME REPORTING CHANGE**

TABLE 6. COST REDUCTION PROGRAM CHANGES

TABLE 8. FISCAL YEAR 1999 MIX ADJUSTED

TABLE B. FACTOR REPORT

TABLE C. "B" REPORT (PESSA DETAIL)

TABLE D. "C" REPORT (INCLUDING PESSA)

TABLE E. "D" REPORT (FINAL ADJUSTMENTS)

WP-E. FISCAL YEAR 2000 BEFORE WORKYEAR MIX ADJUSTMENT

TABLE A. SUMMARY OF TABLES 1-8

TABLE 1. FISCAL YEAR 1999 COSTS

TABLE 2. COST LEVEL CHANGES

TABLE 3. MAIL VOLUME CHANGES

TABLE 4. NONVOLUME WORKLOAD CHANGES

TABLE 5. ADDITIONAL WORKDAY CHANGES

TABLE 6. COST REDUCTION PROGRAM CHANGES

TABLE 7. OTHER PROGRAMS CHANGES

TABLE 8. FISCAL YEAR 2000 PREMIX ADJUSTMENT

TABLE B. FACTOR REPORT

TABLE C. "B" REPORT (PESSA DETAIL)

TABLE D. "C" REPORT (INCLUDING PESSA)

TABLE E. "D" REPORT (FINAL ADJUSTMENTS)

WP-F. FISCAL YEAR 2000 WORKYEAR MIX ADJUSTED

TABLE A. SUMMARY OF TABLES 1-8

TABLE 1. FISCAL YEAR 2000 PREMIX ADJUSTMENT

TABLE 6. COST REDUCTION PROGRAM CHANGES

TABLE 8. FISCAL YEAR 2000 MIX ADJUSTED

TABLE B. FACTOR REPORT

TABLE C. "B" REPORT (PESSA DETAIL)

TABLE D. "C" REPORT (including PESSA)

TABLE E. "D" REPORT (FINAL ADJUSTMENTS)

USPS-T-14
(Revised 2/18/2000)

EXHIBIT USPS-14A

ROLLFORWARD FACTORS

SOURCES:

Pages 1-6: USPS LR-I-127, Chapter III, Section a

Mail Volume: Tolley USPS-T-6, Preliminary RPW Report

Workyear Mix Adjustment: USPS LR-I-127, Chapter X, Section e

Final Adjustments:

USPS-T-26, Attachment X

USPS-T-34, Attachment K

USPS-T-28, Table 8

USPS-LR-I-108, Section D

ROLL FORWARD MODEL FACTORS							
FY 1999							
SEG	DESCRIPTION	COMP NO.	COST LEVEL	NON-VOL WKLOAD 1/	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
1	Postmaster & Lv. Replacement Pers. EAS 23 & Below	1	0.021576	0.002502	-	-	-
	Postmaster & Lv. Replacement Pers. EAS 24 & Above	2	0.021576		-	-	-
	BMC Managers Personnel	3	0.021576		-	-	-
2	Supervisors & Technical Personnel	252	0.019317	I	-	-	13,917
3	Clerks & Mailhandlers, CAG A-J, SD Mess. Personnel	253	0.038580	I	-	(407,770)	209,083
4	Clerks, CAG K Post Offices Personnel	254	0.044271		-	-	-
6&7	City Delivery Carriers Personnel	256, 257	0.035666		-	(123,368)	153,922
	City Delivery Carriers Personnel - Street	47,48,51-54		0.006000			
8	Vehicle Service Drivers Personnel	258	0.034216		-	-	-
9	Special Delivery Messengers Personnel (See Seg 3)	61			-	-	-
	Equip. Maint. Allowance	62					
	Delivery Fees	63					
10	Rural Carriers Personnel	72	0.032184	0.030000	-	-	20,625
	Equip. Maint. Allowance	73	(0.018943)	0.022000	-	-	6
11	Building Maintenance Personnel	74	0.039441	0.031239	-	-	-
	Operating Equip. Maintenance Personnel	75	0.030925		-	(8,084)	22,861
	Building Equip. Maintenance Personnel	79	0.032387	0.031239	-	-	-
	Contract Cleaners	81	0.032500	0.031239	-	-	8
12	Motor Vehicle Service Personnel	90	0.033543	I	-	-	-
	Vehicle Supplies & Materials	99	(0.013500)	I	-	-	(54)
	Rental of Motor Vehicles	106	0.003700	I	-	-	(62)
13	Mail Equipment Shop Personnel	110	0.036852		-	-	(229)
	Facilities & Purchasing Field Unit Personnel	114	0.015593		-	-	(350)
	Individual Awards	115	0.019000		-	-	-
	Contract Station Service	111	0.032500	-0.027572	-	-	(92)
	Rental Allowance - Postmasters	112	0.032500	-0.108054	-	-	-
	Tolls & Ferriage	113	0.023500	I	-	-	1
	Freight - Supplies & Materials	117	0.003700		-	-	(2,993)
	Banking Fees	125	0.019000		-	-	220
	Carfare	135	0.023500	I	-	-	49
	City Carrier Drive-out	141	-	I	-	-	-
14	Domestic Air	142	0.017700		-	(26,870)	18,500
	Alaska Air	681	0.017700		-	-	-
	Domestic Highway	143	0.035900		-	(2,487)	35,371
	Domestic Rail	144	(0.002400)		-	(11,328)	11,218
	Domestic Water	145	0.003700		-	-	-
	International	146	0.005854		-	(90,300)	-
	Foreign Settlement Transactions	1438			-	-	(18,697)
15	Rent	165	0.032500	0.021213	-	-	23,803
	Product Specific Imputed Rent	234			-	-	2,426
	Heating Fuel	166	(0.015218)	0.031239	-	-	174
	Utilities	167	(0.019500)	0.031239	-	-	2,766
	Communications	168	(0.008900)		-	-	13,765
	Building Projects Expensed	169	(0.008900)		-	-	(11,527)
	Moving Expense	170	0.003700		-	-	(25)
	Reimbursements	171	(0.008900)		-	-	-
16	Material Distribution & Label Printing Personnel Cost	173	0.028346		-	-	(3,778)
	ADP Supplies & Services	174	(0.013500)		-	-	65,550
	Equipment Repair & Maintenance Excluding ADP	175	(0.013500)		-	-	98,995
	Custodial Supplies & Services	176	(0.013500)		-	-	133
	Miscellaneous Supplies & Services	177	(0.013500)		-	-	23,874
	Printing & Reproduction	179	(0.016600)		-	-	2,847
	Stamps & Accountable Paper	180	(0.016600)		-	-	(1,100)
	Money Orders	181	(0.016600)		-	-	(28)
	Operating Equipment & Supplies	184	(0.013500)		-	-	20,021
	Inventory Adjustments	182			-	-	(48,884)
	Expedited Mail Supplies	187	-		-	-	216,612
	Other Postal Supplies and Services	197			-	-	73,633
	Remote Encoding Supplies & Services	1426	-		-	-	1
	Tracking & Tracing	195	-		-	-	1,633
	Advertising & Sales Promotion	246			-	-	(30,600)
	Reimbursements	189	(0.013500)		-	-	333
	Stamped Envelopes	248	(0.016600)		-	-	(69)
17	Research & Development Contracts	267			-	-	(13,692)
18	HQ & Field Service Unit Personnel Cost	191	0.017138		-	-	87,626
	Money Order Branch Personnel Cost	192	0.033592		-	-	-
	Area Administration Personnel Cost	193	0.016152		-	-	12,708
	Security Force Personnel Cost	194	0.031977		-	-	(935)
	Inspection Service Personnel Cost	195	0.014945		-	-	(3,670)
	Unemployment Compensation	241			-	-	(17,561)

ROLL FORWARD MODEL FACTORS							
		FY 1999					
SEG	DESCRIPTION	COMP NO.	COST LEVEL	NON-VOL WKLOAD 1/	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
	Holiday Leave	200					(1,571)
	Workers' Compensation Health Benefits	895					(1,000)
	Annuitant Life Insurance	71					100
	Individual Awards	1429	0.019000				
	Miscellaneous Personnel Cost	1430					-
	Repricing of Annual Leave	199					(13,508)
	CSRS Annuitant Cola	1435					31,122
	CSRS Retirement Liabilities Current	201					(8,150)
	CSRS Retirement Liabilities Prior	202					79,436
	Workers' Compensation Current	204					(66,333)
	Workers' Compensation Prior	205					(80,178)
	Annuity Protection Program	207					(5,707)
	Annuitant Health Benefits	208					22,631
	Supplies & Services	210	(0.013500)				116,030
	Miscellaneous Support Cost	211					234,357
	Inspection Service Expenses	212	0.019000			-	(47)
	Reimbursements	213	0.019000			-	-
	Commissions on Non-US Money Orders	244	0.019000			-	-
	POD Workers' Comp	541					4,035
19	Maintenance Technical Support Center Personnel Cost	219	0.016464			-	792
	Contract Training Support	220	0.019000			-	9,096
20	Vehicle Depreciation	231					7,774
	Equipment Depreciation	232					142,652
	Depreciation - Product Specific Equipment	233					-
	Building Depreciation & Amortization	238					39,820
	Domestic Indemnities	239	0.019000				
	International Indemnities	240	0.019000				
	Claims & Losses	242	0.019000				
	Disposition of Property	245					22,870
	Reimbursements	249					
	Interest on Debt	587					(11,633)
	Implied Interest on Retro Annuitant Costs	899					(18,164)
	Interest on Retirement Liabilities	1436					(4,242)
	Other Interest	1437					(146)
	Totals					(670,207)	1,520,351

1/ Only Nonvolume Workload column is updated by expanding this column so that figures are displayed up to 6 decimal places.

ROLL FORWARD MODEL FACTORS							
FY 2000							
SEG	DESCRIPTION	COMP NO.	COST LEVEL	NON-VOL (1) WKLOAD	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
1	Postmaster & Lv. Replacement Pers. EAS 23 & Below	1	0.019849	(0.000358)	0.00226	-	-
	Postmaster & Lv. Replacement Pers. EAS 24 & Above	2	0.019849			-	-
	BMC Managers Personnel	3	0.019849			-	-
2	Supervisors & Technical Personnel	252	0.017888	I	0.00226	(45,906)	(8,493)
3	Clerks & Mailhandlers, CAG A-J, SD Mess Personnel	253	0.041315	I	0.00226	(441,793)	59,839
4	Clerks, CAG K Post Offices Personnel	254	0.048352		0.00226	-	-
6&7	City Delivery Carriers Personnel	256, 257	0.037824		0.00226	(400,355)	13,876
	City Delivery Carriers Personnel - Street	47,48,51-54		0.006000		-	-
8	Vehicle Service Drivers Personnel	258	0.038075		0.00226	-	-
9	Special Delivery Messengers Personnel (See Seg 3)	61				-	-
	Equip. Maint. Allowance	62				-	-
	Delivery Fees	63				-	-
10	Rural Carriers Personnel	72	0.042016	0.030000	0.00226	-	-
	Equip. Maint. Allowance	73	0.021021	0.022000	0.00226	-	-
11	Building Maintenance Personnel	74	0.043624	0.038197	0.00226	-	-
	Operating Equip. Maintenance Personnel	75	0.034058		0.00226	(13,299)	32,003
	Building Equip. Maintenance Personnel	79	0.035640	0.038197	0.00226	-	-
	Contract Cleaners	81	0.033300	0.038197	0.00226	-	(9)
12	Motor Vehicle Service Personnel	90	0.036903	I	0.00226	-	-
	Vehicle Supplies & Materials	99	0.031400	I	0.00226	-	(5,000)
	Rental of Motor Vehicles	108	0.037800	I	0.00226	-	-
13	Mail Equipment Shop Personnel	110	0.040335			-	-
	Facilities & Purchasing Field Unit Personnel	114	0.015204			-	-
	Individual Awards	115	0.027300			-	-
	Contract Station Service	111	0.033300	0.034578		-	-
	Rental Allowance - Postmasters	112	0.033300	(0.028043)		-	-
	Tolls & Franchise	113	0.025500	I		-	-
	Freight - Supplies & Materials	117	0.037800		0.00226	-	(1,426)
	Banking Fees	125	0.027300			-	(48)
	Carfare	135	0.025500	I	0.00226	-	(11)
	City Carrier Drive-out	141	0.078000	I	0.00226	-	-
14	Domestic Air	142	0.019800		0.00226	(105,163)	56,100
	Alaska Air	681	0.019800		0.00226	-	-
	Domestic Highway	143	0.026400		0.00226	(9,489)	-
	Domestic Rail	144	0.007800		0.00226	(2,773)	-
	Domestic Water	145	0.037800		0.00226	-	-
	International	146	0.007063			38,200	-
	Foreign Settlement Transactions	1438				-	-
15	Rent	165	0.033300	0.021385		-	(1,875)
	Product Specific Imputed Rent	234				-	5,226
	Heating Fuel	166	0.094034	0.038197	0.00226	-	(35)
	Utilities	167	(0.002500)	0.038197	0.00226	-	(843)
	Communications	168	0.036400		0.00226	-	4,547
	Building Projects Expensed	169	0.038400			-	(25,290)
	Moving Expense	170	0.037800			-	(14)
	Reimbursements	171	0.038400			-	-
16	Material Distribution & Label Printing Personnel Cost	173	0.031324			-	-
	ADP Supplies & Services	174	0.031400			-	(71,726)
	Equipment Repair & Maintenance Excluding ADP	175	0.031400			-	139,338
	Custodial Supplies & Services	176	0.031400			-	(65)
	Miscellaneous Supplies & Services	177	0.031400			-	(59,078)
	Printing & Reproduction	179	0.065300			-	(3,499)
	Stamps & Accountable Paper	180	0.065300			-	(11,082)
	Money Orders	181	0.065300			-	(287)
	Operating Equipment & Supplies	184	0.031400		0.00226	-	(26,097)
	Inventory Adjustments	182				-	-
	Expedited Mail Supplies	187				-	(46,383)
	Other Postal Supplies and Services	197				-	4,675
	Remote Encoding Supplies & Services	1426				-	-
	Tracking & Tracing/Delivery Confirmation	196				-	11,275
	Advertising & Sales Promotion	246				-	(120,200)
	Reimbursements	189	0.031400			-	-
	Stamped Envelopes	248	0.065300			-	(693)
17	Research & Development Contracts	267				-	(18,238)
18	HQ & Field Service Unit Personnel Cost	191	0.017482			-	-
	Money Order Branch Personnel Cost	192	0.037199		0.00226	-	-
	Area Administration Personnel Cost	193	0.015934			-	-

ROLL FORWARD MODEL FACTORS							
FY 2000							
SEG	DESCRIPTION	COMP NO.	COST LEVEL	NON-VOL (1) WKLOAD	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
	Security Force Personnel Cost	194	0.035098			-	-
	Inspection Service Personnel Cost	195	0.014262			-	-
	Unemployment Compensation	241					9,600
	Holiday Leave	200					1,592
	Workers' Compensation Health Benefits	895					1,200
	Annuitant Life Insurance	71					400
	Individual Awards	1429	0.027300				
	Miscellaneous Personnel Cost	1430					-
	Repricing of Annual Leave	199					35,294
	CSRS Annuitant Costs	1435					79,593
	CSRS Retirement Liabilities Current	201					39,992
	CSRS Retirement Liabilities Prior	202					71,432
	Workers' Compensation Current	204					29,970
	Workers' Compensation Prior	205					72,546
	Annuity Protection Program	207					(200)
	Annuitant Health Benefits	208					145,458
	Supplies & Services	210	0.031400				(10,417)
	Miscellaneous Support Cost	211					(93,599)
	Inspection Service Expenses	212	0.027300			-	(27)
	Reimbursements	213	0.027300			-	-
	Commissions on Non-US Money Orders	244	0.027300			-	-
	POD Workers' Comp	541					(1,195)
19	Maintenance Technical Support Center Personnel Cost	219	0.016408			-	-
	Contract Training Support	220	0.027300			-	(1,083)
20	Vehicle Depreciation	231					(19,635)
	Equipment Depreciation	232					5,423
	Depreciation - Product Specific Equipment	233					-
	Building Depreciation & Amortization	238					82,502
	Domestic Indemnities	239	0.027300				
	International Indemnities	240	0.027300				
	Claims & Losses	242	0.027300				
	Disposition of Property	245					(13,472)
	Reimbursements	248					
	Interest on Debt	587					28,375
	Implied Interest on Retro Annuitant Costs	899					-
	Interest on Retirement Liabilities	1436					(19,358)
	Other Interest	1437					(85)
	Totals					(980,578)	370,993

1) Only Nonvolume Workload column is updated by expanding this column so that figures are displayed up to 6 decimal places.

ROLL FORWARD MODEL FACTORS							
FY 2001							
BEFORE RATES							
SEG	DESCRIPTION	COMP NO.	COST LEVEL (1)	NON-VOL WKLOAD	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
1	Postmaster & Lv. Replacement Pers. EAS 23 & Below	1*	0.040830	(0.000397)	(0.00523)	-	-
	Postmaster & Lv. Replacement Pers. EAS 24 & Above	2*	0.040830			-	-
	BMC Managers Personnel	3*	0.040830			-	-
2	Supervisors & Technical Personnel	252*	0.036771	I	(0.00523)	-	-
3	Clerks & Mailhandlers, CAG A-J, SD Mess Personnel	253	0.039658	I	(0.00523)	(476,373)	9,808
4	Clerks, CAG K Post Offices Personnel	254	0.046778		(0.00523)	-	-
6&7	City Delivery Carriers Personnel	256, 257	0.060431		(0.00523)	(151,373)	19,797
	City Delivery Carriers Personnel - Street	47,48,51-54		0.006000		-	-
8	Vehicle Service Drivers Personnel	258	0.036982		(0.00523)	-	-
9	Special Delivery Messengers Personnel (See Seg 3)	61				-	-
	Equip. Maint. Allowance	62				-	-
	Delivery Fees	63				-	-
10	Rural Carriers Personnel	72*	0.037983	0.030000	(0.00523)	-	-
	Equip. Maint. Allowance	73	0.027909	0.022000	(0.00523)	-	-
11	Building Maintenance Personnel	74	0.042287	0.018342	(0.00523)	-	-
	Operating Equip. Maintenance Personnel	75	0.036113		(0.00523)	(1,673)	29,352
	Building Equip. Maintenance Personnel	79*	0.037619	0.018342	(0.00523)	-	-
	Contract Cleaners	81	0.033500	0.018342	(0.00523)	-	6
12	Motor Vehicle Service Personnel	90*	0.038304	I	(0.00523)	-	-
	Vehicle Supplies & Materials	96	0.004800	I	(0.00523)	-	-
	Rental of Motor Vehicles	108	0.021100	I	(0.00523)	-	-
13	Mail Equipment Shop Personnel	110	0.042098			-	-
	Facilities & Purchasing Field Unit Personnel	114	0.030753			-	-
	Individual Awards	115	0.020200			-	-
	Contract Station Service	111	0.033500	0.033422		-	-
	Rental Allowance - Postmasters	112	0.033500	(0.028852)		-	-
	Tolls & Fringe	113	0.053100	I		-	-
	Freight - Supplies & Materials	117	0.021100		(0.00523)	-	951
	Banking Fees	125	0.020200			-	32
	Carfare	135	0.053100	I	(0.00523)	-	7
	City Carrier Drive-out	141	-	I	(0.00523)	-	-
14	Domestic Air	142	0.003700		(0.00523)	-	-
	Alaska Air	661	0.003700		(0.00523)	-	-
	Domestic Highway	143	0.017400		(0.00523)	(44,404)	-
	Domestic Rail	144	0.005700		(0.00523)	(1,122)	-
	Domestic Water	145	0.021100		(0.00523)	-	-
	International	146	0.001488			20,000	18,829
	Foreign Settlement Transactions	1438				-	-
15	Rent	165	0.033500	0.021228		-	1,376
	Product Specific Imputed Rent	234				-	1,711
	Heating Fuel	166	(0.004226)	0.018342	(0.00523)	-	23
	Utilities	167	0.039300	0.018342	(0.00523)	-	623
	Communications	168	0.004500		(0.00523)	-	3,248
	Building Projects Expensed	169	0.004500			-	(76)
	Moving Expense	170	0.021100			-	10
	Reimbursements	171	0.004500			-	-
16	Material Distribution & Label Printing Personnel Cost	173	0.038042			-	-
	ADP Supplies & Services	174	0.004800			-	19,210
	Equipment Repair & Maintenance Excluding ADP	175	0.004800			-	4,980
	Custodial Supplies & Services	176	0.004800			-	44
	Miscellaneous Supplies & Services	177	0.004800			-	(9,370)
	Printing & Reproduction	178	0.026700			-	2,333
	Stamps & Accountable Paper	180	0.026700			-	47,388
	Money Orders	181	0.026700			-	191
	Operating Equipment & Supplies	184	0.004800		(0.00523)	-	12,064
	Inventory Adjustments	182				-	-
	Expedited Mail Supplies	187				-	35,657
	Other Postal Supplies and Services	197				-	9,443
	Remote Encoding Supplies & Services	1426	-			-	-
	Comprehensive Tracking & Tracing Services	196	-			-	(7,398)
	Advertising & Sales Promotion	246				-	120,200
	Reimbursements	189	0.004800			-	-
	Stamped Envelopes	248	0.026700			-	462
17	Research & Development Contracts	267				-	135
18	HQ & Field Service Unit Personnel Cost	191*	0.029391			-	-
	Money Order Branch Personnel Cost	192	0.037753		(0.00523)	-	-
	Area Administration Personnel Cost	193*	0.032006			-	-
	Security Force Personnel Cost	194	0.037324			-	-

ROLL FORWARD MODEL FACTORS							
		FY 2001					
BEFORE RATES							
SEG	DESCRIPTION	COMP NO.	COST LEVEL (1)	NON-VOL WKLOAD	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
	Inspection Service Personnel Cost	195*	0.029098			-	-
	Unemployment Compensation	241					2,800
	Holiday Leave	200					(388)
	Workers' Compensation Health Benefits	895					600
	Annuitant Life Insurance	71					900
	Individual Awards	1429	0.020200				
	Miscellaneous Personnel Cost	1430					-
	Repricing of Annual Leave	199					(5,522)
	CSRS Annuitant Cola	1435					74,910
	CSRS Retirement Liabilities Current	201					(24,526)
	CSRS Retirement Liabilities Prior	202					84,685
	Workers' Compensation Current	204					41,079
	Workers' Compensation Prior	205					(12,889)
	Annuity Protection Program	207					(200)
	Annuitant Health Benefits	208					108,826
	Supplies & Services	210	0.004800				6,411
	Miscellaneous Support Cost	211					39,177
	Inspection Service Expenses	212	0.020200			-	18
	Reimbursements	213	0.020200			-	-
	Commissions on Non-US Money Orders	244	0.020200			-	-
	POD Workers' Comp	541					(1,265)
19	Maintenance Technical Support Center Personnel Cost	219	0.033114			-	-
	Contract Training Support	220	0.020200			-	722
20	Vehicle Depreciation	231					69
	Equipment Depreciation	232					232,074
	Depreciation - Product Specific Equipment	233					-
	Building Depreciation & Amortization	238					57,990
	Domestic Indemnities	239	0.020200				
	International Indemnities	240	0.020200				
	Claims & Losses	242	0.020200				
	Disposition of Property	245					(7,734)
	Reimbursements	249					
	Interest on Debt	587					177,100
	Implied Interest on Retro Annuitant Costs	899					
	Interest on Retirement Liabilities	1436					29,096
	Other Interest	1437					56
	Totals					(653,945)	1,125,426

1) Only certain Cost Level Components (marked with **) have been revised to reflect the cost level changes used in the Rollforward.

ROLL FORWARD MODEL FACTORS
FY 2001
AFTER RATES

SEG	DESCRIPTION	COMP NO.	COST LEVEL (1)	NON-VOL WKLOAD	ADDITIONAL DAY	COST REDUCTIONS	OTHER PROGRAMS
1	Postmaster & Lv. Replacement Pers. EAS 23 & Below	1*	0.040830	(0.000397)	(0.00523)	-	-
	Postmaster & Lv. Replacement Pers. EAS 24 & Above	2*	0.040830			-	-
	BMC Managers Personnel	3*	0.040830			-	-
2	Supervisors & Technical Personnel	252*	0.036771	I	(0.00523)	-	-
3	Clerks & Mailhandlers, CAG A-J, SD Mess Personnel	253	0.039858	I	(0.00523)	(475,373)	9,808
4	Clerks, CAG K Post Offices Personnel	254	0.046778		(0.00523)	-	-
6&7	City Delivery Carriers Personnel	256, 257	0.060431		(0.00523)	(151,373)	19,797
	City Delivery Carriers Personnel - Street	47,48,51-54		0.006000			
8	Vehicle Service Drivers Personnel	258	0.036982		(0.00523)	-	-
9	Special Delivery Messengers Personnel (See Seg 3)	61					
	Equip. Maint. Allowance	62					
	Delivery Fees	63					
10	Rural Carriers Personnel	72*	0.037983	0.030000	(0.00523)	-	-
	Equip. Maint. Allowance	73	0.027909	0.022000	(0.00523)	-	-
11	Building Maintenance Personnel	74	0.042287	0.018342	(0.00523)	-	-
	Operating Equip. Maintenance Personnel	75	0.036113		(0.00523)	(1,673)	29,352
	Building Equip. Maintenance Personnel	79*	0.037519	0.018342	(0.00523)	-	-
	Contract Cleaners	81	0.033500	0.018342	(0.00523)	-	6
12	Motor Vehicle Service Personnel	90*	0.038304	I	(0.00523)	-	-
	Vehicle Supplies & Materials	99	0.004800	I	(0.00523)	-	-
	Rental of Motor Vehicles	108	0.021100	I	(0.00523)	-	-
13	Mail Equipment Shop Personnel	110	0.042098			-	-
	Facilities & Purchasing Field Unit Personnel	114	0.030753			-	-
	Individual Awards	115	0.020200			-	-
	Contract Station Service	111	0.033500	0.033422		-	-
	Rental Allowance - Postmasters	112	0.033500	(0.028852)		-	-
	Tolls & Franchise	113	0.053100	I		-	-
	Freight - Supplies & Materials	117	0.021100		(0.00523)	-	951
	Banking Fees	125	0.020200			-	32
	Carfare	135	0.053100	I	(0.00523)	-	7
	City Carrier Drive-out	141	-	I	(0.00523)	-	-
						-	-
14	Domestic Air	142	0.003700		(0.00523)	-	-
	Alaska Air	681	0.003700		(0.00523)	-	-
	Domestic Highway	143	0.017400		(0.00523)	(44,404)	-
	Domestic Rail	144	0.005700		(0.00523)	(1,122)	-
	Domestic Water	145	0.021100		(0.00523)	-	-
	International	146	0.001488			20,000	18,829
	Foreign Settlement Transactions	1438					-
						-	-
15	Rent	165	0.033500	0.021228		-	1,376
	Product Specific Imputed Rent	234				-	1,711
	Heating Fuel	166	(0.004226)	0.018342	(0.00523)	-	23
	Utilities	167	0.039300	0.018342	(0.00523)	-	823
	Communications	168	0.004500		(0.00523)	-	3,249
	Building Projects Expensed	169	0.004500			-	(76)
	Moving Expense	170	0.021100			-	10
	Reimbursements	171	0.004500			-	-
16	Material Distribution & Label Printing Personnel Cost	173	0.038042			-	-
	ADP Supplies & Services	174	0.004800			-	19,210
	Equipment Repair & Maintenance Excluding ADP	175	0.004800			-	4,980
	Custodial Supplies & Services	176	0.004800			-	44
	Miscellaneous Supplies & Services	177	0.004800			-	(9,370)
	Printing & Reproduction	179	0.026700			-	2,333
	Stamps & Accountable Paper	180	0.026700			-	47,388
	Money Orders	181	0.026700			-	191
	Operating Equipment & Supplies	184	0.004800		(0.00523)	-	12,064
	Inventory Adjustments	182				-	-
	Expedited Mail Supplies	187	-			-	35,657
	Other Postal Supplies and Services	197				-	9,443

1\ Only certain Cost Level Components (marked with "***") have been revised to reflect the cost level changes used in the Rollforward.

USPS-T-14
(Revised 2/18/2000)

WORKPAPER WP-C **Part I (Table A thru CS14)**

ADJUSTED FISCAL YEAR 1999 BEFORE WORKYEAR MIX ADJUSTMENT

TABLE A. SUMMARY OF TABLES 1 - 8

TABLE 1. FY 1999 BEFORE WORKYEAR MIX ADJUSTMENT
TABLE 2. COST LEVEL CHANGES
TABLE 3. MAIL VOLUME CHANGES
TABLE 8. FY 1999 BEFORE WORKYEAR MIX ADJUSTMENT WITH STANDARD A
SINGLE PIECE ADJUSTMENT AND INTERNATIONAL VOLUME REPORTING CHANGE

TABLE B. FACTOR REPORT
TABLE C. "B" REPORT (PESSA DETAIL)
TABLE D. "C" REPORT (INCLUDING PESSA)
TABLE E. "D" REPORT (WITHOUT FINAL ADJUSTMENTS)

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(Revised 2/18/2000)

WORKPAPER WP-C **Part II (CS15 thru Table E)**

ADJUSTED FISCAL YEAR 1999 BEFORE WORKYEAR MIX ADJUSTMENT

TABLE A. SUMMARY OF TABLES 1 - 8

TABLE 1. FY 1999 BEFORE WORKYEAR MIX ADJUSTMENT

TABLE 2. COST LEVEL CHANGES

TABLE 3. MAIL VOLUME CHANGES

**TABLE 8. FY 1999 BEFORE WORKYEAR MIX ADJUSTMENT WITH STANDARD A
SINGLE PIECE ADJUSTMENT AND INTERNATIONAL VOLUME REPORTING CHANGE**

TABLE B. FACTOR REPORT

TABLE C. "B" REPORT (PESSA DETAIL)

TABLE D. "C" REPORT (INCLUDING PESSA)

TABLE E. "D" REPORT (WITHOUT FINAL ADJUSTMENTS)

1 **B. Cost Level Changes Between Base Year 1998 and Fiscal Year 1999**

2 Cost level changes for each labor and nonlabor cost category are calculated
3 as a ratio (i.e., a multiplicative factor) or a dollar value (i.e., an additive amount)
4 reflecting the cost-level changes occurring between Base Year 1998 without
5 SDM and Fiscal Year 1999. These factors are developed in USPS LR-I-127,
6 Chapter III, Section a, and they are shown in Exhibit USPS-14A of this
7 testimony.

8 Base Year 1998 without SDM accrued costs by class, subclass, and type of
9 service for each segment and component are adjusted by the appropriate cost-
10 level factors. Changes in costs between Base Year 1998 without SDM and
11 Fiscal Year 1999 due to changes in price levels are presented in Table 2 of the
12 Fiscal Year 1999 cost segment workpapers (WP-B) associated with this
13 testimony.

14 **C. Mail Volume Changes Between Base Year 1998 and Fiscal Year 1999**

15 Price-level adjusted Base Year 1998 without SDM volume variable costs are
16 adjusted for the effect of changes in mail volume occurring between Base Year
17 1998 without SDM and Fiscal Year 1999. The volumes used to develop these
18 adjustments are from the preliminary FY 1999 RPW report; these volumes also
19 appear in Exhibit USPS-14A of this testimony. The effects of mail-volume
20 changes between Base Year 1998 without SDM and Fiscal Year 1999 for each
21 segment, by class, subclass and type of service are presented in Table 3 of the
22 Fiscal Year 1999 cost segment workpapers (WP-B) associated with this
23 testimony.

Appendix A

Appendix A presents two sections for each of the rollforward years in this proceeding: Fiscal Year 1999 (pages 8-15), Fiscal Year 2000 (pages 16- 23), Test Year 2001 at current rates (pages 24-31), and Test Year 2001 at proposed rates (pages 32-37). The first section explains how the USPS LR-I-127 sources are used to develop the cost reduction and other program amounts that require a finer level of detail for distribution to classes, subclasses and special services than shown in USPS LR-I-127. The second section uses the results from the first section, and shows how the cost reduction amounts are distributed to classes, subclasses and special services in the rollforward model.

For each year, the first section consists of two pages that are a modification of USPS LR-I-127, Chapter V, Section a. Columns (1) and (3)-(8) are taken directly from USPS LR-I-127 and they show the workhour changes, as either savings or costs, associated with each of the individual programs. Column (2) is an addition to the USPS LR-I-127 spreadsheets which is the source of the distribution key by component number and title. For example, line 25 uses the CFS Flats Forwarding distribution key, component 1439 from the Base Year 1998 workpaper, WP-A, Manual Input Report. A list of the distribution keys is provided on page 5.

The cost reduction programs are arranged by common distribution keys, for instance, all programs that require an OCR distribution key, component 1449, are grouped together. Pages 15, 23, 31, and 37 show the amount distributed and the associated distribution key on the lines denoted by footnotes 1/ and 2/.

Page 16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Non-Operational Programs		Clerks - CAG A-J			Mailhandlers			Clerks/Mailhandlers			Clerks/Mailhandlers
		Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	
				-			-	-	-	-	-
				-			-	-	-	-	-
Customer Address Awareness	253			-			-	-	-	-	-
Ease of Use Drivers	253		1	1			-	-	1	1	-
Route Inspections	253			-			-	-	-	-	-
				-			-	-	-	-	-
Cost Study Support	253			-			-	-	-	-	-
International Data Collection	1,419		(19)	(19)			-	-	(19)	(19)	-
			-	-			-	-	-	-	-
International Service Centers	1,419		-	-		-	-	-	-	-	-
Revenue and Volume Modification	253		(0)	(0)			-	-	(0)	(0)	-
			-	-			-	-	-	-	-
Data Collection Diagnostic	253		(48)	(48)			-	-	(48)	(48)	-
DPS Multi Unit Buildings	253			-			-	-	-	-	-
				-			-	-	-	-	-
Drivers Trainers	253		12	12			-	-	12	12	-
			-	-			-	-	-	-	-
BMEU Proficiency Training	253		6	6			-	-	6	6	-
			-	-			-	-	-	-	-
			-	-			-	-	-	-	-
			-	-			-	-	-	-	-
			-	-			-	-	-	-	-
Total Non Operational Program Chgs.		-	(49)	(49)	-	-	-	-	(49)	(49)	-
Total		(12,861)	2,003	(10,858)	(3,547)	219	(3,328)	(16,408)	2,222	(14,187)	(441,793)
Component			253			253			253		

1/ USPS LR-1-127, Chapter III, Section a, Rollforward Factors

2/ USPS LR-1-127, Chapter V, Section a

3/ Col (9) = Col (3)+Col (6) and Col (10) = Col (4)+Col (7)

4/ Line 1 Col (12) distributed on Col (9)

5/ Distribution Keys from Base Year 1996 Workpaper WP-A, Manual Input Report

Col=>
Line #

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12)

1												(475,373) 1/
2												
3	Operational Programs	DIST	Clerks - CAG A-J 2/			Mailhandlers 2/			2001 Workhours (000)			2001 Savings \$ (000)
4		KEY 5/	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Clerks/Mailhandlers
5												Savings
6	Advance Facer Candler OCR	1,443	(613)		(613)				(613)	-	(613)	-17,167
7	ID Code Sort	1440+1441+1452	(1,327)		(1,327)				(1,327)	-	(1,327)	-37,162
8	DBCSs-Cartridge,Add'l Cap.,Phase 4&5, & OS	1,441	(1,230)		(1,230)				(1,230)	-	(1,230)	-34,445
9												0
10	Flet Mail OCR (EC-06)	1,448	(2,715)		(2,715)				(2,715)	-	(2,715)	-78,031
11												0
12	Small Parcel & Bundle Sorter- 46 & 54	1,445	(64)		(64)	14	14	(64)	14	(50)		-1,792
13												0
14	BMC PSM Singulators	1,453	(40)		(40)	(9)		(9)	(49)	-	(49)	-1,372
15	Improve RCR, Hand Writing Recog(HWP)&2000	1,446	(1,435)		(1,435)				(1,435)	-	(1,435)	-40,186
16	Automatic Airline Assignment SWYB	142				(510)		(510)	(510)	-	(510)	-14,282
17	Accelerate FSM Buy Into 2001	1,448	(1,308)		(1,308)				(1,308)	-	(1,308)	-36,630
18	Additional AFSM to upper bound	1,448	(1,900)		(1,900)				(1,900)	-	(1,900)	-53,208
19	Improve Function 4 Productivity	1,442	(1,112)		(1,112)	(244)		(244)	(1,356)	-	(1,356)	-37,974
20	Robotics Phase 1	1,451				(627)		(627)	(627)	-	(627)	-17,559
21	Tray Management System (TMS)-Phase 3	1,451	(273)		(273)	(881)		(881)	(1,154)	-	(1,154)	-32,317
22	Improve FSM	1,448	(1,332)		(1,332)				(1,332)	-	(1,332)	-37,302
23	Dual Pass Rough Cull 56 Buy	1,444				(8)		(8)	(8)	-	(8)	-224
24	Mat. Handling, BMC Asystems	1,450				(13)		(13)	(13)	-	(13)	-364
25	Increase manual flat productivity	1,446	(565)		(565)				(565)	-	(565)	-15,822
26	SPBS Feed System- (228&37)	1,445	(121)		(121)				(121)	-	(121)	-3,389
27	Delivery Confirmation Scanning	690		336	336				-	336	336	0
28		1,447										0
29	Corporate Call Management	1,420	(66)		(66)				(66)	-	(66)	-1,848
30	Mail Transport Equip Service Centers	35				(303)		(303)	(303)	-	(303)	-8,485
31												0
32	Improve SEI	46										0
33	Parcel Dropship Volume Shift	1,418	(279)		(279)			1	(279)	-	(279)	-7,815
34	Total Operational Programs		(14,380)	336	(14,044)	(2,595)	14	(2,580)	(18,975)	350	(18,625)	(475,373)
35												
36												

Revised 2/18/2000

Col=>
Line #

(1)	(2)	(3)			(4)			(5)			(6)			(7)			(8)			(9)			(10)			(11)			(12)		
		Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J			Clerks - CAG A-J		
		Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net	Savings	Costs	Net
37	Non-Operational Programs																														
38	Customers 100% Barcoding																														
39	National Key Program																														
40	Correct Address Notification																														
41	DPS Multi Unit Buildings																														
42	Delivery Place Count																														
43	Environmental Programs																														
44	Cost Study Support																														
45	International Data Collection																														
46	Rate Studies																														
47	International Service Centers																														
48	LLV Modification																														
49	EMOD Development																														
50	Data Collection Diagnostic																														
51	TACS																														
52	Test Validation																														
53	OFF Corrections																														
54	FIAOI																														
55	BMEU Proficiency Training																														
56	TTC On-Site Training																														
57	Troubleshooter Training																														
58	Mail Transport Equipment Center																														
59	Delivery Confirmation																														
60	Point of Service																														
61	Total Non Operational Program Chgs.																														
62																															
63																															
64	Total	(14,380)	336	(14,044)	(2,595)	14	(2,580)	(16,975)	350	(16,825)																					
65	Component		253			253																									

1/ USPS LR-127, Chapter III, Section a, Rollforward Factors

2/ USPS LR-127, Chapter V, Section a

3/ Col (9) = Col (3)+Col (6) and Col (10) = Col (4)+Col (7)

4/ Line 1 Col (12) distributed on Col (9)

5/ Distribution Keys from Base Year 1998 Worksheet WP-A, Manual Input Report

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY99RCM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

*****		*****	V O L U	M E	V A R I	A B L E /2/ **	*****
ACCRUED COSTS		DIRECT	INDIRECT	TOTAL		ALL OTHER COSTS	
*****		*****					*****
COST SEGMENTS & COMPONENTS							

1. POSTMASTERS	\$ 1 757 077	\$ --	\$ 317 261	\$ 317 261	\$ --	\$ 1 439 816	
2. SUPERVISORS AND TECHNICIANS							
MAIL PROCESSING	930 540	--	779 556	779 556	--	150 984	
WINDOW SERVICE	208 120	--	98 055	98 055	--	110 065	
ADMINISTRATION AND SUPPORT							
TIME & ATTENDANCE	62 198	--	38 426	38 426	--	23 772	
LOCAL SERVICES							
CITY CARRIERS							
IN-OFFICE	277 121	--	247 137	247 137	--	29 984	
ELEMENTAL LOAD	189 973	--	127 148	127 148	--	62 825	
OTHER STREET	405 337	--	96 593	96 593	--	308 744	
SPECIAL DELIVERY MESSENGERS							
IN-OFFICE	1 663	--	1 201	1 201	--	462	
STREET	8 549	--	3 978	3 978	--	4 571	
OTHER SUPERVISORS & TECHNICIANS	1 540 906	--	425 577	425 577	--	1 115 329	
TOTAL SUPERVISORS	3 624 407	--	1 817 671	1 817 671	--	1 806 736	
3. CLERKS AND MAILHANDLERS							
CAG A-J OFFICES							
MAIL PROCESSING	14 735 276	12 311 769	--	12 311 769	--	2 423 507	
WINDOW SERVICE	2 152 282	1 014 052	--	1 014 052	--	1 138 230	
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 500 033	--	890 871	890 871	--	609 162	
SPECIAL DELIVERY MESS							
IN-OFFICE	12 199	8 816	--	8 816	--	3 383	
STREET	62 665	29 165	--	29 165	--	33 500	
MAINTENANCE & FEES	1	1	--	1	--	--	
TOTAL CLERKS	18 462 456	13 363 803	890 871	14 254 674	--	4 207 782	
4. CLERKS, CAG K OFFICES	8 758	5 600	--	5 600	--	3 158	
6. CITY DELIVERY CARRIERS							
IN-OFFICE	3 944 056	2 921 922	591 451	3 513 373	--	430 683	
7. CITY DELIVERY CARRIERS							
OUT-OF-OFFICE	8 748 846	1 876 198	1 418 085	3 294 283	--	5 454 563	
TOTAL CITY CARRIERS	\$ 12 692 902	\$ 4 798 120	\$ 2 009 536	\$ 6 807 656	\$ --	\$ 5 885 246	

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY99RCM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
------------------	------------------------	-----------------	------------------	----------------	--------------------

COST SEGMENTS & COMPONENTS

8. VEHICLE SVC DRIVERS	\$ 478 086	\$ 291 001	\$ --	\$ 291 001	\$ --	\$ 187 085
10. RURAL CARRIERS						
EVALUATED ROUTES	3 247 463	1 552 301	--	1 552 301	--	1 695 162
OTHER-ROUTES	318 964	155 380	--	155 380	--	163 584
EQUIPMENT MAINTENANCE ALLOWANCE	328 394	--	--	--	--	328 394
TOTAL RURAL CARRIERS	3 894 821	1 707 681	--	1 707 681	--	2 187 140
11. CUSTODIAL(MAINTENANCE) SERVICE	2 449 698	--	1 512 072	1 512 072	--	937 626
12. MOTOR VEHICLE SERVICE						
CITY DELIVERY VEH.	523 511	--	95 063	95 063	--	428 448
SPECIAL DELIVERY VEH.	7 799	--	3 648	3 648	--	4 151
VEHICLE SERVICE VEH.	78 888	--	47 661	47 661	--	31 227
RURAL DELIVERY VEH.	40 150	--	19 267	19 267	--	20 883
ALL OTHER	32 152	--	--	--	--	32 152
TOTAL MOTOR VEHICLE	\$ 682 500	\$ --	\$ 165 639	\$ 165 639	\$ --	\$ 516 861

*** PAGE 10 ***

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY99RCM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

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*****
ACCRUED          *****V O L U   M E   V A R I   A B L E /2/ **          ALL OTHER
COSTS            DIRECT      INDIRECT      TOTAL          COSTS
*****

COST SEGMENTS & COMPONENTS
-----

18. ADMINISTRATION AND
AREA OPERATIONS
HEADQUARTERS      $    788 641      $    --      $    --      $    --      $    788 641
USPS PERSONNEL    4 210 358      --      1 916 524      1 916 524      --      2 293 834

TOTAL ADMIN. AND
AREA OPERATIONS    4 998 999      --      1 916 524      1 916 524      --      3 082 475

19. SUPPORT SERVICES      46 652      --      --      --      --      46 652

20. DEPRECIATION AND
SERVICE WIDE COSTS
DEPRECIATION      1 795 725      --      1 260 374      1 260 374      --      535 351
INTEREST          1 779 553      --      1 066 738      1 066 738      --      712 815
OTHER MISCELLANEOUS      143 303      28 644      --      28 644      --      114 659

TOTAL DEPRECIATION
& SERVICEWIDE COSTS    3 718 581      28 644      2 327 112      2 355 756      --      1 362 825

TOTAL ACCRUED COST    62 580 459      23 810 725      13 786 402      37 597 127      2 166      24 981 166

FINAL ADJUSTMENTS      180 091-      180 294-      93 201-      273 495-      --      273 495

ADJUSTED GRAND TOTAL $ 62 400 368      $ 23 630 431      $ 13 693 201      $ 37 323 632      $    2 166      $ 25 254 661

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*** PAGE 12 ***
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BEGIN ALA432CO
END ALA432CO

1. COST AND REVENUE ANALYSIS

THE FISCAL YEAR CRA PRESENTS ALLOCATIONS OF THE POSTAL SERVICE'S REVENUES AND VOLUME VARIABLE COSTS AMONG THE CATEGORIES OF MAIL AND SERVICES PROVIDED BY THE POSTAL SERVICE DURING THE YEAR. OTHER REVENUES AND COSTS ARE PRESENTED IN THE AGGREGATE SO AS TO PROVIDE A RECONCILIATION TO TOTAL REVENUES AND COSTS AS PRESENTED IN THE CRA TO THE TOTAL AMOUNTS SHOWN IN THE ANNUAL STATEMENT OF OPERATIONS OF THE POSTAL SERVICE.

CRA DATA ARE BASED ON INFORMATION FROM THE POSTAL SYSTEM OF ACCOUNTS. THE POSTAL SYSTEM OF ACCOUNTS, HOWEVER, GENERALLY DOES NOT ACCUMULATE FINANCIAL DATA BY CLASS AND SUBCLASS OF MAIL. APPORTIONMENT FACTORS ARE THEREFORE REQUIRED FOR DEVELOPMENT OF THE DATA FOR CRA PURPOSES. THESE APPORTIONMENT FACTORS ARE DERIVED FROM VARIOUS POSTAL OPERATIONAL AND STATISTICAL INFORMATION SOURCES. SOME OF THESE, SUCH AS THE IN-OFFICE COST SYSTEM AND THE REVENUE, PIECES AND WEIGHT SYSTEM, ARE DEDICATED TO THIS PURPOSE AND INVOLVE EXTENSIVE STATISTICAL SAMPLING OF POSTAL ACTIVITY DURING THE YEAR. FACTORS OBTAINED FROM THESE SYSTEMS ARE UPDATED ANNUALLY. SUPPORTING INFORMATION ESSENTIAL TO THE DEVELOPMENT OF THE CRA DATA IS GENERALLY OBTAINED FROM SPECIAL STUDIES.

2. VOLUME VARIABLE COSTS

ONLY "VOLUME VARIABLE" COSTS OF THE POSTAL SERVICE ARE APPORTIONED AMONG THE CLASSES AND SUBCLASSES OF MAIL AND OTHER SERVICES SHOWN IN THE FISCAL YEAR CRA. COSTS ARE GENERALLY CONSIDERED TO BE VOLUME VARIABLE IF THEY ARE DETERMINED TO VARY WITH CHANGES IN VOLUME.

3. FEES

WITH THE EXCEPTION OF SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS AND SUBCLASS OF MAIL ARE INCLUDED ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR SUBCLASS. SPECIAL HANDLING FEES ARE IN OTHER SPECIAL SERVICES.

4. MISCELLANEOUS ADJUSTMENTS

THE FOLLOWING DIFFERENCES EXIST BETWEEN THE REVENUES SHOWN IN THE ANNUAL REPORT OF THE POSTAL SERVICE (AR) AND THE CRA:

- A) THE MONEY ORDER FLOAT INCLUDED WITH INTEREST INCOME IN THE AR IS INCLUDED WITH SPECIAL SERVICE REVENUE IN THE CRA.
- B) MISCELLANEOUS REVENUE INCLUDED WITH SPECIAL SERVICES REVENUE IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.
- C) MORTGAGE INCOME INCLUDED WITH INTEREST INCOME IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.

5. INTERNATIONAL MAIL

INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN ORIGIN MAIL.

6. MISCELLANEOUS ITEMS

MISCELLANEOUS ITEMS INCLUDE PHILATELIC SALES, FEES, FINES, UNCLAIMED MONEY FROM DEAD LETTERS, SALES OF POSTAL CARDS AND SERVICES PERFORMED FOR GOVERNMENT AGENCIES AND PRIVATE CONTRACTORS.

7. FRANKED AND OTHER GOVERNMENT PENALTY MAIL (I.E. NON POSTAL SERVICE)

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

8. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

NOTES TO COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL

FY99RCM (W/MIX)

1. FEES

WITH THE EXCEPTION OF SPECIAL SERVICES AND SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS OR SUBCLASS OF MAIL ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR SUBCLASS. FEES FOR ANCILLARY SERVICES ASSOCIATED WITH REGISTERED, CERTIFIED, INSURED, AND COD ARE REPORTED SEPARATELY FROM REVENUE AND ARE NOT INCLUDED IN CALCULATIONS.

2. FRANKED AND OTHER GOVERNMENT PENALTY MAIL

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

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INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN-ORIGIN MAIL. INTERNATIONAL MAIL RATES ARE NOT SUBJECT TO REVIEW BY THE POSTAL RATE COMMISSION, THEREFORE A DETAIL ANALYSIS OF REVENUE AND COSTS HAS NOT BEEN PROVIDED.

4. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

NA DENOTES NOT APPLICABLE.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

Exhibit 14G

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FYOORCM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

ACCRUED COSTS	*****V O L U	M E	V A R I	A B L E /2/ **		ALL OTHER COSTS
	DIRECT	INDIRECT	TOTAL			

COST SEGMENTS & COMPONENTS						

1. POSTMASTERS	\$ 1 802 961	\$ --	\$ 331 853	\$ 331 853	\$ --	\$ 1 471 108
2. SUPERVISORS AND TECHNICIANS						
MAIL PROCESSING	958 256	--	806 115	806 115	--	152 141
WINDOW SERVICE	210 552	--	99 643	99 643	--	110 909
ADMINISTRATION AND SUPPORT						
TIME & ATTENDANCE	63 712	--	39 468	39 468	--	24 244
LOCAL SERVICES						
CITY CARRIERS						
IN-OFFICE	281 473	--	251 633	251 633	--	29 840
ELEMENTAL LOAD	192 474	--	129 949	129 949	--	62 525
OTHER STREET	407 244	--	98 225	98 225	--	309 019
SPECIAL DELIVERY MESSENGERS						
IN-OFFICE	1 706	--	1 241	1 241	--	465
STREET	8 715	--	4 108	4 108	--	4 607
OTHER SUPERVISORS & TECHNICIANS	1 560 961	--	438 119	438 119	--	1 122 842
TOTAL SUPERVISORS	3 685 093	--	1 868 501	1 868 501	--	1 816 592
3. CLERKS AND MAILHANDLERS						
CAG A-J OFFICES						
MAIL PROCESSING	15 301 259	12 827 568	--	12 827 568	--	2 473 691
WINDOW SERVICE	2 242 031	1 061 052	--	1 061 052	--	1 180 979
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 572 031	--	942 369	942 369	--	629 662
SPECIAL DELIVERY MESS						
IN-OFFICE	12 954	9 425	--	9 425	--	3 529
STREET	66 123	31 180	--	31 180	--	34 943
MAINTENANCE & FEES	1	1	--	1	--	--
TOTAL CLERKS	19 194 399	13 929 226	942 369	14 871 595	--	4 322 804
4. CLERKS, CAG K OFFICES	9 271	5 953	--	5 953	--	3 318
6. CITY DELIVERY CARRIERS						
IN-OFFICE	3 876 055	2 827 635	623 612	3 451 247	--	424 808
7. CITY DELIVERY CARRIERS						
OUT-OF-OFFICE	9 137 847	1 996 199	1 493 376	3 489 575	--	5 648 272
TOTAL CITY CARRIERS	\$ 13 013 902	\$ 4 823 834	\$ 2 116 988	\$ 6 940 822	\$ --	\$ 6 073 080

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY00RCM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
------------------	------------------------	-----------------	------------------	----------------	--------------------

COST SEGMENTS & COMPONENTS

8. VEHICLE SVC DRIVERS	\$ 507 544	\$ 312 897	\$ --	\$ 312 897	\$ --	\$ 194 647
10. RURAL CARRIERS						
EVALUATED ROUTES	3 487 827	1 664 337	--	1 664 337	--	1 823 490
OTHER-ROUTES	337 456	166 614	--	166 614	--	170 842
EQUIPMENT MAINTENANCE ALLOWANCE	343 448	--	--	--	--	343 448
TOTAL RURAL CARRIERS	4 168 731	1 830 951	--	1 830 951	--	2 337 780
11. CUSTODIAL(MAINTENANCE) SERVICE	2 635 566	--	1 641 398	1 641 398	--	994 168
12. MOTOR VEHICLE SERVICE						
CITY DELIVERY VEH.	543 135	--	99 791	99 791	--	443 344
SPECIAL DELIVERY VEH.	8 122	--	3 849	3 849	--	4 273
VEHICLE SERVICE VEH.	81 027	--	48 956	48 956	--	32 071
RURAL DELIVERY VEH.	41 215	--	19 780	19 780	--	21 435
ALL OTHER	33 095	--	--	--	--	33 095
TOTAL MOTOR VEHICLE	\$ 706 594	\$ --	\$ 172 376	\$ 172 376	\$ --	\$ 534 218

*** PAGE 10 ***

Exhibit 14G

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FYOORCM (W/MIX)
(IN THOUSANDS)

Revised 2/ 18/2000

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*****
ACCRUED          *****V O L U   M E   V A R I   A B L E /2/ **          ALL OTHER
COSTS            DIRECT      INDIRECT      TOTAL          COSTS
*****

COST SEGMENTS & COMPONENTS
-----

18. ADMINISTRATION AND
AREA OPERATIONS
HEADQUARTERS      $    802 253      $    --      $    --      $    --      $    802 253
USPS PERSONNEL    4 612 487      --      2 173 835      2 173 835      --      2 438 652

TOTAL ADMIN. AND
AREA OPERATIONS    5 414 740      --      2 173 835      2 173 835      --      3 240 905

19. SUPPORT SERVICES      46 782      --      --      --      --      46 782

20. DEPRECIATION AND
SERVICE WIDE COSTS
DEPRECIATION      1 864 015      --      1 338 434      1 338 434      --      525 581
INTEREST          1 788 485      --      1 081 043      1 081 043      --      707 442
OTHER MISCELLANEOUS      132 062      28 060      --      28 060      --      104 002

TOTAL DEPRECIATION
& SERVICEWIDE COSTS    3 784 562      28 060      2 419 477      2 447 537      --      1 337 025

TOTAL ACCRUED COST    64 929 925      24 761 956      14 493 164      39 255 120      12 784      25 662 021

FINAL ADJUSTMENTS      178 165-      173 558-      91 593-      265 151-      --      265 151

ADJUSTED GRAND TOTAL $ 64 751 760      $ 24 588 398      $ 14 401 571      $ 38 989 969      $ 12 784      $ 25 927 172

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BEGIN ALA432C0
END ALA432C0

NOTES TO COST AND REVENUE ANALYSIS
FYOORCM (W/MIX)

1. COST AND REVENUE ANALYSIS

THE FISCAL YEAR CRA PRESENTS ALLOCATIONS OF THE POSTAL SERVICE'S REVENUES AND VOLUME VARIABLE COSTS AMONG THE CATEGORIES OF MAIL AND SERVICES PROVIDED BY THE POSTAL SERVICE DURING THE YEAR. OTHER REVENUES AND COSTS ARE PRESENTED IN THE AGGREGATE SO AS TO PROVIDE A RECONCILIATION TO TOTAL REVENUES AND COSTS AS PRESENTED IN THE CRA TO THE TOTAL AMOUNTS SHOWN IN THE ANNUAL STATEMENT OF OPERATIONS OF THE POSTAL SERVICE.

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3. FEES

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MISCELLANEOUS ITEMS INCLUDE PHILATELIC SALES, FEES, FINES, UNCLAIMED MONEY FROM DEAD LETTERS, SALES OF POSTAL CARDS AND SERVICES PERFORMED FOR GOVERNMENT AGENCIES AND PRIVATE CONTRACTORS.

7. FRANKED AND OTHER GOVERNMENT PENALTY MAIL (I.E. NON POSTAL SERVICE)

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

8. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

NOTES TO COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL

FYOORCM (W/MIX)

1. FEES

WITH THE EXCEPTION OF SPECIAL SERVICES AND SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS OR SUBCLASS OF MAIL ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR OR SUBCLASS. FEES FOR ANCILLARY SERVICES ASSOCIATED WITH REGISTERED, CERTIFIED, INSURED, AND COD ARE REPORTED SEPARATELY FROM REVENUE AND ARE NOT INCLUDED IN CALCULATIONS.

2. FRANKED AND OTHER GOVERNMENT PENALTY MAIL

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

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4. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.
NA DENOTES NOT APPLICABLE.
- DENOTES ZERO VALUE.
() DENOTES NEGATIVE VALUE.

USPS 10-4730
ALA430P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING ATTRIBUTABLE COSTS
FY01RCBM (W/MIX)
(IN MILLIONS)

Revised 2/18/2000

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*****
              VOLUME      REVENUE LESS      REVENUE AS %
              /3/      VARIABLE      VOLUME VARIABLE      VOLUME VARIABLE
              REVENUE      COST /2/      COST      COST
*****
FIRST-CLASS MAIL.....$ 36 172.2      $ 19 293.6      $ 16 878.6      187.5 %
PRIORITY MAIL.....      5 229.8      3 263.4      1 966.4      160.3
EXPRESS MAIL.....      1 019.5      476.6      542.9      213.9
MAILGRAMS.....      1.1      1.0      .1      110.0

PERIODICALS:
  WITHIN THE COUNTY.....      74.6      82.2      7.6-      90.8
  OUTSIDE THE COUNTY:
    NONPROFIT PUBLICATIONS      315.8      370.3      54.5-      85.3
    CLASSROOM PUBLICATIONS      12.9      14.3      1.4-      90.2
    REGULAR-RATE PUBL.....      1 819.2      2 031.2      212.0-      89.6
    FEES.....      20.3      --      20.3      --
    TOTAL PERIODICALS.....      2 242.7      2 498.0      255.3-      89.8

STANDARD MAIL (A):
  SINGLE-PIECE RATE.....      --      --      --      --
  COMMERCIAL.....      13 654.7      9 652.9      4 001.8      141.5
  AGGREGATE NONPROFIT.....      1 637.8      1 538.5      99.3      106.5
  FEES.....      88.3      --      88.3      --
  TOTAL STANDARD (A)....      15 380.8      11 191.4      4 189.4      137.4

STANDARD MAIL (B):
  PARCELS (ZONE RATE).....      1 197.8      1 078.2      119.6      111.1
  BOUND PRINTED MATTER....      491.9      493.4      1.5-      99.7
  TOTAL ZONE-RATE MAIL..      1 689.7      1 571.6      118.1      107.5
  SPECIAL
  SPECIAL STANDARD.....      327.3      304.8      22.5      107.4
  LIBRARY MAIL.....      48.5      48.3      .2      100.4
  FEES.....      1.4      --      1.4      --
  TOTAL STANDARD (B)....      2 066.9      1 924.8      142.1      107.4

US POSTAL SERVICE.....      --      --      --      --
FREE MAIL FOR BLIND AND
  HANDICAPPED.....      --      40.3      40.3-      --
  INTERNATIONAL MAIL.....      1 741.1      1 474.0 /5/      267.1      118.1
  TOTAL MAIL.....      63 854.2      40 163.1      23 691.1      159.0
  SPECIAL SERVICES.....      2 052.9 /4/      1 591.7      461.2      129.0
  MISCELLANEOUS ITEMS.....      440.7 /6/      --      440.7      --
  TOTAL MAIL AND SVCS...$ 66 347.8      $ 41 754.8      $ 24 593.0      158.9 %

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USPS 10-4730
ALA430P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING ATTRIBUTABLE COSTS
FY01RCBM (W/MIX)
(IN MILLIONS)

Revised 2/18/2000

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*****
              /3/      VOLUME      REVENUE LESS      REVENUE AS %
              REVENUE  VARIABLE  VOLUME VARIABLE  VOLUME VARIABLE
              COST     COST     COST      COST
*****
APPROPRIATIONS:
REVENUE FORGONE.....$      67.1      $      --      $      67.1      --      %
PUBLIC SERVICE.....      --      --      --      --      --
TOTAL OPERATING INCOME      66 414.9      --      --      --
INVESTMENT INCOME.....      86.6-      --      86.5-      --
TOTAL.....      66 328.3      41 754.8      24 573.5      158.9
ALL OTHER COSTS.....      --      27 993.0      --      --
TOTAL OPERATING
EXPENSE.....$      --      $ 69 747.7      $      --      --      %

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USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCBM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

	ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS

COST SEGMENTS & COMPONENTS						

1. POSTMASTERS	\$ 1 875 751	\$ --	\$ 352 948	\$ 352 948	\$ --	\$ 1 522 803
2. SUPERVISORS AND TECHNICIANS						
MAIL PROCESSING	1 006 441	--	849 531	849 531	--	156 910
WINDOW SERVICE	218 624	--	104 238	104 238	--	114 386
ADMINISTRATION AND SUPPORT						
TIME & ATTENDANCE	66 788	--	41 412	41 412	--	25 376
LOCAL SERVICES						
CITY CARRIERS						
IN-OFFICE	295 857	--	265 082	265 082	--	30 775
ELEMENTAL LOAD	202 704	--	138 219	138 219	--	64 485
OTHER STREET	424 475	--	103 953	103 953	--	320 522
SPECIAL DELIVERY MESSENGERS						
IN-OFFICE	1 797	--	1 318	1 318	--	479
STREET	9 115	--	4 364	4 364	--	4 751
OTHER SUPERVISORS & TECHNICIANS	1 622 063	--	462 213	462 213	--	1 159 850
TOTAL SUPERVISORS	3 847 864	--	1 970 330	1 970 330	--	1 877 534
3. CLERKS AND MAILHANDLERS						
CAG A-J OFFICES						
MAIL PROCESSING	15 627 573	13 123 754	--	13 123 754	--	2 503 819
WINDOW SERVICE	2 330 490	1 111 181	--	1 111 181	--	1 219 309
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 643 776	--	992 525	992 525	--	651 251
SPECIAL DELIVERY MESS						
IN-OFFICE	13 668	10 025	--	10 025	--	3 643
STREET	69 241	33 163	--	33 163	--	36 078
MAINTENANCE & FEES	1	1	--	1	--	--
TOTAL CLERKS	19 684 749	14 278 124	992 525	15 270 649	--	4 414 100
4. CLERKS, CAG K OFFICES	9 730	6 275	--	6 275	--	3 455
6. CITY DELIVERY CARRIERS						
IN-OFFICE	4 048 158	2 939 947	672 076	3 612 023	--	436 135
7. CITY DELIVERY CARRIERS						
OUT-OF-OFFICE	9 767 590	2 186 100	1 611 979	3 798 079	--	5 969 511
TOTAL CITY CARRIERS	\$ 13 815 748	\$ 5 126 047	\$ 2 284 055	\$ 7 410 102	\$ --	\$ 6 405 646

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCBM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

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*****
          ACCRUED          *****V O L U   M E   V A R I   A B L E /2/ **          ALL OTHER
          COSTS              DIRECT      INDIRECT      TOTAL          COSTS
*****

COST SEGMENTS & COMPONENTS
-----

8. VEHICLE SVC DRIVERS    $    537 858    $    337 069    $    --    $    337 069    $    --    $    200 789

10. RURAL CARRIERS
   EVALUATED ROUTES      3 705 622      1 766 283      --      1 766 283      --      1 939 339
   OTHER-ROUTES          353 252      176 848      --      176 848      --      176 404

   EQUIPMENT MAINTENANCE
   ALLOWANCE              358 913      --      --      --      --      358 913

   TOTAL RURAL CARRIERS  4 417 787      1 943 131      --      1 943 131      --      2 474 656

11. CUSTODIAL(MAINTENANCE)
   SERVICE                2 791 917      --      1 752 105      1 752 105      --      1 039 812

12. MOTOR VEHICLE SERVICE
   CITY DELIVERY VEH.    557 115      --      104 061      104 061      --      453 054
   SPECIAL DELIVERY VEH.  8 371      --      4 030      4 030      --      4 341
   VEHICLE SERVICE VEH.   82 758      --      50 001      50 001      --      32 757
   RURAL DELIVERY VEH.   42 096      --      20 202      20 202      --      21 894
   ALL OTHER              33 627      --      --      --      --      33 627

   TOTAL MOTOR VEHICLE $    723 967    $    --    $    178 294    $    178 294    $    --    $    545 673

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Exhibit 14J

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCBM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

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*****
ACCRUED          *****V O L U   M E   V A R I   A B L E /2/ **          ALL OTHER
COSTS            DIRECT          INDIRECT          TOTAL          COSTS
*****

COST SEGMENTS & COMPONENTS
-----

18. ADMINISTRATION AND
AREA OPERATIONS
HEADQUARTERS      $    826 332      $    --      $    --      $    --      $    826 332
USPS PERSONNEL    4 940 876          --          2 349 383      2 349 383          --      2 591 493

TOTAL ADMIN. AND
AREA OPERATIONS    5 767 208          --          2 349 383      2 349 383          --      3 417 825

19. SUPPORT SERVICES      48 522          --          --          --          --      48 522

20. DEPRECIATION AND
SERVICE WIDE COSTS
DEPRECIATION      2 154 148          --          1 437 198      1 437 198          --      716 950
INTEREST          1 994 737          --          1 208 661      1 208 661          --      786 076
OTHER MISCELLANEOUS      125 884      27 476          --          27 476          --      98 408

TOTAL DEPRECIATION
& SERVICEWIDE COSTS    4 274 769      27 476      2 645 859      2 673 335          --      1 601 434

TOTAL ACCRUED COST    68 281 239      25 721 893      15 509 646      41 231 539      5 817      27 043 883

FINAL ADJUSTMENTS      234 682-          172 854-          93 478-          266 332-          --      266 332

ADJUSTED GRAND TOTAL $ 68 046 557      $ 25 549 039      $ 15 416 168      $ 40 965 207      $ 5 817      $ 27 310 215

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BEGIN ALA432CO
END ALA432CO

Revised 2/18/2000

NOTES TO COST AND REVENUE ANALYSIS
FY01RCBM (W/MIX)

1. COST AND REVENUE ANALYSIS

THE FISCAL YEAR CRA PRESENTS ALLOCATIONS OF THE POSTAL SERVICE'S REVENUES AND VOLUME VARIABLE COSTS AMONG THE CATEGORIES OF MAIL AND SERVICES PROVIDED BY THE POSTAL SERVICE DURING THE YEAR. OTHER REVENUES AND COSTS ARE PRESENTED IN THE AGGREGATE SO AS TO PROVIDE A RECONCILIATION TO TOTAL REVENUES AND COSTS AS PRESENTED IN THE CRA TO THE TOTAL AMOUNTS SHOWN IN THE ANNUAL STATEMENT OF OPERATIONS OF THE POSTAL SERVICE.

CRA DATA ARE BASED ON INFORMATION FROM THE POSTAL SYSTEM OF ACCOUNTS. THE POSTAL SYSTEM OF ACCOUNTS, HOWEVER, GENERALLY DOES NOT ACCUMULATE FINANCIAL DATA BY CLASS AND SUBCLASS OF MAIL. APPORTIONMENT FACTORS ARE THEREFORE REQUIRED FOR DEVELOPMENT OF THE DATA FOR CRA PURPOSES. THESE APPORTIONMENT FACTORS ARE DERIVED FROM VARIOUS POSTAL OPERATIONAL AND STATISTICAL INFORMATION SOURCES. SOME OF THESE, SUCH AS THE IN-OFFICE COST SYSTEM AND THE REVENUE, PIECES AND WEIGHT SYSTEM, ARE DEDICATED TO THIS PURPOSE AND INVOLVE EXTENSIVE STATISTICAL SAMPLING OF POSTAL ACTIVITY DURING THE YEAR. FACTORS OBTAINED FROM THESE SYSTEMS ARE UPDATED ANNUALLY. SUPPORTING INFORMATION ESSENTIAL TO THE DEVELOPMENT OF THE CRA DATA IS GENERALLY OBTAINED FROM SPECIAL STUDIES.

2. VOLUME VARIABLE COSTS

ONLY "VOLUME VARIABLE" COSTS OF THE POSTAL SERVICE ARE APPORTIONED AMONG THE CLASSES AND SUBCLASSES OF MAIL AND OTHER SERVICES SHOWN IN THE FISCAL YEAR CRA. COSTS ARE GENERALLY CONSIDERED TO BE VOLUME VARIABLE IF THEY ARE DETERMINED TO VARY WITH CHANGES IN VOLUME.

3. FEES

WITH THE EXCEPTION OF SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS AND SUBCLASS OF MAIL ARE INCLUDED ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR SUBCLASS. SPECIAL HANDLING FEES ARE IN OTHER SPECIAL SERVICES.

4. MISCELLANEOUS ADJUSTMENTS

THE FOLLOWING DIFFERENCES EXIST BETWEEN THE REVENUES SHOWN IN THE ANNUAL REPORT OF THE POSTAL SERVICE (AR) AND THE CRA:

- A) THE MONEY ORDER FLOAT INCLUDED WITH INTEREST INCOME IN THE AR IS INCLUDED WITH SPECIAL SERVICE REVENUE IN THE CRA.
- B) MISCELLANEOUS REVENUE INCLUDED WITH SPECIAL SERVICES REVENUE IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.
- C) MORTGAGE INCOME INCLUDED WITH INTEREST INCOME IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.

5. INTERNATIONAL MAIL

INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN ORIGIN MAIL.

6. MISCELLANEOUS ITEMS

MISCELLANEOUS ITEMS INCLUDE PHILATELIC SALES, FEES, FINES, UNCLAIMED MONEY FROM DEAD LETTERS, SALES OF POSTAL CARDS AND SERVICES PERFORMED FOR GOVERNMENT AGENCIES AND PRIVATE CONTRACTORS.

7. FRANKED AND OTHER GOVERNMENT PENALTY MAIL (I.E. NON POSTAL SERVICE)

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

8. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

USPS 10-4730

SPECIAL SERVICES

Exhibit 14J

Revised 2/18/2000

ALA450P1

FY01RCBM CURRENT (W/MIX)

CATEGORY -----	SPECIAL DELIVERY -----	MONEY ORDERS -----	STAMPED CARDS -----	STAMPED ENVELOPES -----	POST OFFICE BOX -----
REVENUE/COST RELATIONSHIP: -----					
PER TRANSACTION (CENTS):					
REVENUE (EXCLUDING ADDITIONAL SERVICES)...	--	122.8	NA	NA	--
VOLUME VARIABLE COSTS...	--	67.9	NA	NA	--
REVENUE LESS VOLUME VARIABLE COSTS.....	--	54.9	NA	NA	--
REVENUE EXCLUDING ADD'L SERVICES (MILLIONS).....	--	\$288.5	\$4.5	\$12.5	\$746.8
VOLUME VARIABLE COSTS (MILLIONS):					
VARIABLE COSTS.....	--	\$155.1	\$.1	\$4.2	\$597.5
OTHER DIRECT.....	--	4.5	3.4	8.3	--
TOTAL VOLUME VARIABLE COSTS.....	--	\$159.6	\$3.4	\$12.5	\$597.5
REVENUE LESS VOL VARIABLE COSTS (MILLIONS).....	--	\$128.9	\$1.0	--	\$149.4
REVENUE AS A PERCENT OF VOLUME VARIABLE COSTS...	--	180.7 %	129.4 %	99.8 %	125.0 %
REVENUE FROM ADDITIONAL SVCS ONLY (MILLIONS)....	--	--	--	--	--
VOLUME: -----					
TRANSACTIONS EXCLUDING ADD'L SVCS (THOUSANDS)...	--	234 993	NA	NA	--

BEGIN ALA432CO
END ALA432CO

NOTES TO COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL

FY01RCBM (W/MIX)

1. FEES

WITH THE EXCEPTION OF SPECIAL SERVICES AND SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS OR SUBCLASS OF MAIL ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR OR SUBCLASS. FEES FOR ANCILLARY SERVICES ASSOCIATED WITH REGISTERED, CERTIFIED, INSURED, AND COD ARE REPORTED SEPARATELY FROM REVENUE AND ARE NOT INCLUDED IN CALCULATIONS.

2. FRANKED AND OTHER GOVERNMENT PENALTY MAIL

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

3. INTERNATIONAL MAIL

INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN-ORIGIN MAIL. INTERNATIONAL MAIL RATES ARE NOT SUBJECT TO REVIEW BY THE POSTAL RATE COMMISSION, THEREFORE A DETAIL ANALYSIS OF REVENUE AND COSTS HAS NOT BEEN PROVIDED.

4. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

NA DENOTES NOT APPLICABLE.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

USPS 10-4730
ALA430P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING ATTRIBUTABLE COSTS
FY01RCAM (W/MIX)
(IN MILLIONS)

Revised 2/18/2000

	REVENUE	VOLUME VARIABLE COST	REVENUE LESS VOLUME VARIABLE COST	REVENUE AS % VOLUME VARIABLE COST
	/3/	/2/		
FIRST-CLASS MAIL.....	\$ 37 283.9	\$ 19 165.7	\$ 18 118.2	194.5 %
PRIORITY MAIL.....	5 542.3	3 064.1	2 478.2	180.9
EXPRESS MAIL.....	1 068.6	481.0	587.6	222.2
MAILGRAMS.....	1.1	1.0	.1	110.0
PERIODICALS:				
WITHIN THE COUNTY.....	80.0	81.4	1.4-	98.3
OUTSIDE THE COUNTY:				
NONPROFIT PUBLICATIONS	370.6	388.6	18.0-	95.4
CLASSROOM PUBLICATIONS	14.4	14.0	.4	102.9
REGULAR-RATE PUBL.....	2 012.1	1 981.6	30.5	101.5
FEES.....	21.7	--	21.7	--
TOTAL PERIODICALS.....	2 498.8	2 465.6	33.2	101.3
STANDARD MAIL (A):				
SINGLE-PIECE RATE.....	--	--	--	--
COMMERCIAL.....	14 195.6	9 295.8	4 899.8	152.7
AGGREGATE NONPROFIT.....	1 742.5	1 529.2	213.3	113.9
FEES.....	101.7	--	101.7	--
TOTAL STANDARD (A)....	16 039.8	10 825.0	5 214.8	148.2
STANDARD MAIL (B):				
PARCELS (ZONE RATE).....	1 199.8	1 052.2	147.6	114.0
BOUND PRINTED MATTER....	562.7	479.2	83.5	117.4
TOTAL ZONE-RATE MAIL..	1 762.6	1 531.4	231.2	115.1
SPECIAL				
SPECIAL STANDARD.....	338.4	301.2	37.2	112.4
LIBRARY MAIL.....	49.6	47.4	2.2	104.6
FEES.....	1.4	--	1.4	--
TOTAL STANDARD (B)....	2 152.0	1 880.0	272.0	114.5
US POSTAL SERVICE.....	--	--	--	--
FREE MAIL FOR BLIND AND HANDICAPPED.....	--	40.3	40.3-	--
INTERNATIONAL MAIL.....	1 747.6	1 429.9 /5/	317.7	122.2
TOTAL MAIL.....	66 334.0	39 352.6	26 981.4	168.6
SPECIAL SERVICES.....	2 362.4 /4/	1 539.1	823.3	153.5
MISCELLANEOUS ITEMS.....	438.7 /6/	--	438.7	--
TOTAL MAIL AND SVCS...\$	69 135.1	\$ 40 891.7	\$ 28 243.4	169.1 %

USPS 10-4730
ALA430P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING ATTRIBUTABLE COSTS
FY01RCAM (W/MIX)
(IN MILLIONS)

Revised 2/18/2000

	REVENUE	/3/ REVENUE	VOLUME VARIABLE COST /2/	REVENUE LESS VOLUME VARIABLE COST	REVENUE AS % VOLUME VARIABLE COST

APPROPRIATIONS:					
REVENUE FORGONE.....\$	67.1	\$	--	\$ 67.1	-- %
PUBLIC SERVICE.....	--		--	--	--
TOTAL OPERATING INCOME	69 202.2		--	--	--
INVESTMENT INCOME.....	82.4-		--	82.3-	--
TOTAL.....	69 119.7		40 891.7	28 228.0	169.0
ALL OTHER COSTS.....	--		27 978.7	--	--
TOTAL OPERATING EXPENSE.....\$	--	\$	68 870.4	\$ --	-- %

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCAM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

	ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	2/ **	ALL OTHER COSTS

COST SEGMENTS & COMPONENTS						

1. POSTMASTERS	\$ 1 868 893	\$ --	\$ 346 090	\$ 346 090	\$ --	\$ 1 522 803
2. SUPERVISORS AND TECHNICIANS						
MAIL PROCESSING	989 776	--	832 866	832 866	--	156 910
WINDOW SERVICE	216 558	--	102 172	102 172	--	114 386
ADMINISTRATION AND SUPPORT						
TIME & ATTENDANCE	66 003	--	40 620	40 620	--	25 383
LOCAL SERVICES						
CITY CARRIERS						
IN-OFFICE	291 243	--	260 468	260 468	--	30 775
ELEMENTAL LOAD	199 620	--	135 135	135 135	--	64 485
OTHER STREET	422 718	--	102 196	102 196	--	320 522
SPECIAL DELIVERY MESSENGERS						
IN-OFFICE	1 799	--	1 320	1 320	--	479
STREET	9 120	--	4 369	4 369	--	4 751
OTHER SUPERVISORS & TECHNICIANS	1 613 615	--	453 761	453 761	--	1 159 854
TOTAL SUPERVISORS	3 810 452	--	1 932 907	1 932 907	--	1 877 545
3. CLERKS AND MAILHANDLERS						
CAG A-J OFFICES						
MAIL PROCESSING	15 357 702	12 855 094	--	12 855 094	--	2 502 608
WINDOW SERVICE	2 308 118	1 089 001	--	1 089 001	--	1 219 117
ADMINISTRATIVE SUPPORT AND MISCELLANEOUS	1 626 485	--	975 303	975 303	--	651 182
SPECIAL DELIVERY MESS						
IN-OFFICE	13 679	10 037	--	10 037	--	3 642
STREET	69 263	33 191	--	33 191	--	36 072
MAINTENANCE & FEES	1	1	--	1	--	--
TOTAL CLERKS	19 375 248	13 987 324	975 303	14 962 627	--	4 412 621
4. CLERKS. CAG K OFFICES	9 639	6 184	--	6 184	--	3 455
6. CITY DELIVERY CARRIERS						
IN-OFFICE	3 980 848	2 884 454	660 382	3 544 836	--	436 012
7. CITY DELIVERY CARRIERS						
OUT-OF-OFFICE	9 691 072	2 137 116	1 584 670	3 721 786	--	5 969 286
TOTAL CITY CARRIERS	\$ 13 671 920	\$ 5 021 570	\$ 2 245 052	\$ 7 266 622	\$ --	\$ 6 405 298

USPS 10-4730
ALA434P1SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCAM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

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*****
      ACCRUED      *****V O L U   M E   V A R I   A B L E /2/ **      ALL OTHER
      COSTS      DIRECT      INDIRECT      TOTAL      COSTS
*****
COST SEGMENTS & COMPONENTS
-----
8. VEHICLE SVC DRIVERS      $      529 218      $      328 429      $      --      $      328 429      $      --      $      200 789

10. RURAL CARRIERS
    EVALUATED ROUTES      3 666 020      1 726 681      --      1 726 681      --      1 939 339
    OTHER-ROUTES      349 261      172 857      --      172 857      --      176 404

    EQUIPMENT MAINTENANCE
    ALLOWANCE      358 913      --      --      --      358 913

    TOTAL RURAL CARRIERS      4 374 194      1 899 538      --      1 899 538      --      2 474 656

11. CUSTODIAL(MAINTENANCE)
    SERVICE      2 780 118      --      1 737 326      1 737 326      --      1 042 792

12. MOTOR VEHICLE SERVICE
    CITY DELIVERY VEH.      555 530      --      102 476      102 476      --      453 054
    SPECIAL DELIVERY VEH.      8 375      --      4 034      4 034      --      4 341
    VEHICLE SERVICE VEH.      82 758      --      50 001      50 001      --      32 757
    RURAL DELIVERY VEH.      42 096      --      20 202      20 202      --      21 894
    ALL OTHER      33 627      --      --      --      --      33 627

    TOTAL MOTOR VEHICLE $      722 386      $      --      $      176 713      $      176 713      $      --      $      545 673

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USPS 10-4730
ALA434P1

SUMMARY OF ACCRUED COST BY SEGMENT AND COMPONENT DETAILING VOLUME VARIABLE COSTS
FY01RCAM (W/MIX)
(IN THOUSANDS)

Revised 2/18/2000

ACCRUED COSTS	*****V O L U DIRECT	M E INDIRECT	V A R I TOTAL	A B L E /2/ **	ALL OTHER COSTS
------------------	------------------------	-----------------	------------------	----------------	--------------------

COST SEGMENTS & COMPONENTS

18. ADMINISTRATION AND AREA OPERATIONS						
HEADQUARTERS	\$ 826 332	\$ --	\$ --	\$ --	\$ --	\$ 826 332
USPS PERSONNEL	4 940 876	--	2 331 378	2 331 378	--	2 609 498
TOTAL ADMIN. AND AREA OPERATIONS	5 767 208	--	2 331 378	2 331 378	--	3 435 830
19. SUPPORT SERVICES						
	48 522	--	--	--	--	48 522
20. DEPRECIATION AND SERVICE WIDE COSTS						
DEPRECIATION	2 154 148	--	1 436 772	1 436 772	--	717 378
INTEREST	1 870 737	--	1 118 362	1 118 362	--	752 375
OTHER MISCELLANEOUS	125 150	26 742	--	26 742	--	98 408
TOTAL DEPRECIATION & SERVICEWIDE COSTS	4 150 035	26 742	2 555 134	2 581 876	--	1 568 159
TOTAL ACCRUED COST	67 467 159	25 154 769	15 276 928	40 431 697	5 817	27 029 645
FINAL ADJUSTMENTS	276 524-	172 797-	93 852-	266 649-	--	266 649
ADJUSTED GRAND TOTAL	\$ 67 190 635	\$ 24 981 972	\$ 15 183 076	\$ 40 165 048	\$ 5 817	\$ 27 296 294

*** PAGE 12 ***

BEGIN ALA432CO
END ALA432CO

NOTES TO COST AND REVENUE ANALYSIS
FY01RCAM (W/MIX)

Exhibit 14M

Revised 2/18/2000

1. COST AND REVENUE ANALYSIS

THE FISCAL YEAR CRA PRESENTS ALLOCATIONS OF THE POSTAL SERVICE'S REVENUES AND VOLUME VARIABLE COSTS AMONG THE CATEGORIES OF MAIL AND SERVICES PROVIDED BY THE POSTAL SERVICE DURING THE YEAR. OTHER REVENUES AND COSTS ARE PRESENTED IN THE AGGREGATE SO AS TO PROVIDE A RECONCILIATION TO TOTAL REVENUES AND COSTS AS PRESENTED IN THE CRA TO THE TOTAL AMOUNTS SHOWN IN THE ANNUAL STATEMENT OF OPERATIONS OF THE POSTAL SERVICE.

CRA DATA ARE BASED ON INFORMATION FROM THE POSTAL SYSTEM OF ACCOUNTS. THE POSTAL SYSTEM OF ACCOUNTS, HOWEVER, GENERALLY DOES NOT ACCUMULATE FINANCIAL DATA BY CLASS AND SUBCLASS OF MAIL. APPORTIONMENT FACTORS ARE THEREFORE REQUIRED FOR DEVELOPMENT OF THE DATA FOR CRA PURPOSES. THESE APPORTIONMENT FACTORS ARE DERIVED FROM VARIOUS POSTAL OPERATIONAL AND STATISTICAL INFORMATION SOURCES. SOME OF THESE, SUCH AS THE IN-OFFICE COST SYSTEM AND THE REVENUE, PIECES AND WEIGHT SYSTEM, ARE DEDICATED TO THIS PURPOSE AND INVOLVE EXTENSIVE STATISTICAL SAMPLING OF POSTAL ACTIVITY DURING THE YEAR. FACTORS OBTAINED FROM THESE SYSTEMS ARE UPDATED ANNUALLY. SUPPORTING INFORMATION ESSENTIAL TO THE DEVELOPMENT OF THE CRA DATA IS GENERALLY OBTAINED FROM SPECIAL STUDIES.

2. VOLUME VARIABLE COSTS

ONLY "VOLUME VARIABLE" COSTS OF THE POSTAL SERVICE ARE APPORTIONED AMONG THE CLASSES AND SUBCLASSES OF MAIL AND OTHER SERVICES SHOWN IN THE FISCAL YEAR CRA. COSTS ARE GENERALLY CONSIDERED TO BE VOLUME VARIABLE IF THEY ARE DETERMINED TO VARY WITH CHANGES IN VOLUME.

3. FEES

WITH THE EXCEPTION OF SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS AND SUBCLASS OF MAIL ARE INCLUDED ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR SUBCLASS. SPECIAL HANDLING FEES ARE IN OTHER SPECIAL SERVICES.

4. MISCELLANEOUS ADJUSTMENTS

THE FOLLOWING DIFFERENCES EXIST BETWEEN THE REVENUES SHOWN IN THE ANNUAL REPORT OF THE POSTAL SERVICE (AR) AND THE CRA:

- A) THE MONEY ORDER FLOAT INCLUDED WITH INTEREST INCOME IN THE AR IS INCLUDED WITH SPECIAL SERVICE REVENUE IN THE CRA.
- B) MISCELLANEOUS REVENUE INCLUDED WITH SPECIAL SERVICES REVENUE IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.
- C) MORTGAGE INCOME INCLUDED WITH INTEREST INCOME IN THE AR IS REPORTED AS MISCELLANEOUS REVENUE IN THE CRA.

5. INTERNATIONAL MAIL

INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN ORIGIN MAIL.

6. MISCELLANEOUS ITEMS

MISCELLANEOUS ITEMS INCLUDE PHILATELIC SALES, FEES, FINES, UNCLAIMED MONEY FROM DEAD LETTERS, SALES OF POSTAL CARDS AND SERVICES PERFORMED FOR GOVERNMENT AGENCIES AND PRIVATE CONTRACTORS.

7. FRANKED AND OTHER GOVERNMENT PENALTY MAIL (I.E. NON POSTAL SERVICE)

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

8. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

SPECIAL SERVICES
FY01RCAM PROPOSED (W/MIX)

Exhibit 14M

Revised 2/18/2000

CATEGORY -----	REGISTRY -----	CERTIFIED -----	INSURANCE -----	COLLECT ON DELIVERY -----
REVENUE/COST RELATIONSHIP: -----				
PER TRANSACTION (CENTS):				
REVENUE (EXCLUDING ADDITIONAL SERVICES)..	868.0	208.4	237.4	563.4
VOLUME VARIABLE COSTS...	779.5	170.4	171.6	423.0
REVENUE LESS VOLUME VARIABLE COSTS.....	88.5	38.0	65.8	140.4
REVENUE EXCLUDING ADD'L SERVICES (MILLIONS).....	\$94.9	\$564.7	\$106.0	\$20.0
VOLUME VARIABLE COSTS (MILLIONS):				
VARIABLE COSTS.....	\$78.8	\$461.7	\$59.6	\$13.1
OTHER DIRECT.....	6.4	--	17.1	1.9
TOTAL VOLUME VARIABLE COSTS.....	\$85.2	\$461.7	\$76.6	\$15.0
REVENUE LESS VOL VARIABLE COSTS (MILLIONS).....	\$9.7	\$102.9	\$29.4	\$5.0
REVENUE AS A PERCENT OF VOLUME VARIABLE COSTS...	111.4 %	122.3 %	138.4 %	133.2 %
REVENUE FROM ADDITIONAL SVCS ONLY (MILLIONS)....	\$3.6	\$333.9	\$1.9	\$6.2
VOLUME: -----				
TRANSACTIONS EXCLUDING ADD'L SVCS (THOUSANDS)..	10 931	270 975	44 673	3 544

CATEGORY -----	SPECIAL DELIVERY -----	MONEY ORDERS -----	STAMPED CARDS -----	STAMPED ENVELOPES -----	POST OFFICE BOX -----
REVENUE/COST RELATIONSHIP: -----					
PER TRANSACTION (CENTS):					
REVENUE (EXCLUDING ADDITIONAL SERVICES)..	--	134.9	NA	NA	--
VOLUME VARIABLE COSTS...	--	68.0	NA	NA	--
REVENUE LESS VOLUME VARIABLE COSTS.....	--	66.9	NA	NA	--
REVENUE EXCLUDING ADD'L SERVICES (MILLIONS).....	--	\$305.5	\$8.3	\$16.0	\$814.1
VOLUME VARIABLE COSTS (MILLIONS):					
VARIABLE COSTS.....	--	\$149.7	\$.1	\$4.2	\$589.2
OTHER DIRECT.....	--	4.3	3.4	8.3	--
TOTAL VOLUME VARIABLE COSTS.....	--	\$154.0	\$3.4	\$12.5	\$589.2
REVENUE LESS VOL VARIABLE COSTS (MILLIONS).....	--	\$151.5	\$4.9	\$3.5	\$224.8
REVENUE AS A PERCENT OF VOLUME VARIABLE COSTS...	--	198.4 %	241.5 %	127.9 %	138.2 %
REVENUE FROM ADDITIONAL SVCS ONLY (MILLIONS)....	--	--	--	--	--
VOLUME: -----					
TRANSACTIONS EXCLUDING ADD'L SVCS (THOUSANDS)..	--	226 435	NA	NA	--

Exhibit 14M

NOTES TO COST AND REVENUE ANALYSIS - STATISTICS BY CLASS OF MAIL

FY01RCAM (W/MIX)

1. FEES

WITH THE EXCEPTION OF SPECIAL SERVICES AND SPECIAL HANDLING FEES, FEES ASSOCIATED WITH A SPECIFIC CLASS OR SUBCLASS OF MAIL ARE INCLUDED IN THE REPORTED REVENUE FOR THAT CLASS OR SUBCLASS. FEES FOR ANCILLARY SERVICES ASSOCIATED WITH REGISTERED, CERTIFIED, INSURED, AND COD ARE REPORTED SEPARATELY FROM REVENUE AND ARE NOT INCLUDED IN CALCULATIONS.

2. FRANKED AND OTHER GOVERNMENT PENALTY MAIL

BEGINNING IN FISCAL YEAR 1988, ALL FRANKED AND OTHER GOVERNMENT AGENCY PENALTY REVENUES, VOLUMES AND VOLUME VARIABLE COSTS HAVE BEEN INCLUDED IN THE CRA IN THE CLASS, SUBCLASS, RATE OR SPECIAL SERVICE CATEGORIES WITH WHICH THEY ARE ASSOCIATED.

3. INTERNATIONAL MAIL

INTERNATIONAL MAIL COSTS INCLUDE VOLUME VARIABLE COSTS FOR BOTH U. S. ORIGIN AND FOREIGN ORIGIN MAIL. VOLUME STATISTICS, HOWEVER, DO NOT INCLUDE FOREIGN-ORIGIN MAIL. INTERNATIONAL MAIL RATES ARE NOT SUBJECT TO REVIEW BY THE POSTAL RATE COMMISSION, THEREFORE A DETAIL ANALYSIS OF REVENUE AND COSTS HAS NOT BEEN PROVIDED.

4. OTHER

ALL FIGURES IN THE CRA ARE ROUNDED; DETAIL MAY NOT ADD TO TOTALS. PERCENTS ARE ROUNDED TO THE NEAREST DECIMAL.

NA DENOTES NOT APPLICABLE.

- DENOTES ZERO VALUE.

() DENOTES NEGATIVE VALUE.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Susan M. Duchek

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
February 18, 2000